

Casualization and Employee Performance in Nigeria Commercial Banks

Prince Godswill Akhimien, Dr. Cletus Owuze, Dr. Peter Akhator

Department of Business Administration, Ambrose Alli University, Ekpoma, Edo State, Nigeria.

DOI: <https://dx.doi.org/10.47772/IJRISS.2023.7012006>

Received: 22 November 2023; Revised: 29 November 2023; Accepted: 04 December 2023;

Published: 27 December 2023

ABSTRACT

The researcher observed that the casualisation of employees has negatively impacted the commitment of employees in First Bank of Nigeria Pic Ekpoma. The broad objective of the study is to determine the effect of casualisation on employee commitment. 188 copies of the questionnaire was designed and distributed to the staff and management of First Bank of Nigeria Pic Ekpoma Edo State. The statistical method of percentage and Pearson Product Correlation Moment Correlation (PPMC) were used to analyse the data obtained from the questionnaire. The result showed that actualization significantly affects employee commitment, employee productivity, organizational productivity as well as organizational goal achievement. Recommendations were put forward that should define terms of employment as much as possible for its casual staff, just as in the case of its full time/permanent employees, so as to enable them know what they are in for with the company. This will enable them know their rights, privileged, entitlement etc in the organization at every point in time. Any worker that undertakes very important task in the organization that is employed as a casual should have his employment contract reviewed and converted to permanent. This will come as a boost to him and make him more productive on the long run.

INTRODUCTION

Casualization is the systematically replacement of full-time employment with staff employed on ad-hoc basis. Theoretically casualization leads to the reduction of an organization's operational cost by increasing the ease to which workers can be included and excluded i.e hired and fired from the workforce (Richardson & Allen, 2014). It is often used loosely in the international literature to refer to the spread of bad conditions of work such as employment insecurity, irregular hours, intermittent employment, low wages and an absence of standard employment benefits (Basso, 2013). In Australia, it has a slightly narrower but more solid meaning. Because our labour markets contain a prominent form of employment that has been given a label of 'casual', casualisation in the Australian literature usually refers to a process whereby more and more of the workforce is employed in these 'casual' jobs. The term 'casual' is a very familiar one in Australia. It is widely used in different contexts such as everyday conversation, in the text of legislation and agreements, in judicial deliberations and in official statistics. The meanings can vary, but there is a broad area of Overlap in the meanings found in different areas (O'Donnell, 2014). 'Casual' jobs are commonly understood as jobs that attract an hourly rate of pay but very few of the other rights and benefits, such as the right to notice, the right to severance pay and most forms of paid leave (annual leave, public holidays, sick leave, etc), that are normally associated with 'permanent' (or 'continuing') jobs for employees. Casualisation is seen as bad not only because it draws more workers into the net of casual work but also because it exerts downward pressure on the wages and conditions even of those employees that continue to be viewed as 'permanent'. Both cases are often identified at workplace level with processes such as outsourcing and labour hire, which threaten the direct or indirect replacement of permanent workers by casual workers (Hall, 2014). In both cases, the bad consequences for individual employees readily extend out to bad effects on families and communities (Pocock 2003). Casual jobs are not of course the only source of problem in labour markets. They are not the only source of what can be called 'precariousness' (Burgess and Campbell, 1998). Any analysis of the health of labour markets needs to look at all forms of employment, including self-employed

workers, fixed-term employees, permanent part-time employees and even the core group of permanent full-time employees. But it is widely recognised that casual workers are a particularly vulnerable group (Borland, Gregory and Sheehan, 2012; Watson et al, 2013; Pocock, 2013).

For several years now the issue of casualization in both the private and public sector has remained a disturbing phenomenon. It was originally retrieved to factory workers and those in the construction industry, though unofficially has surreptitiously permitted into other sector of the economy like banking, pharmaceuticals, oil, construction and even the power sector. In recent times it has been observed that the practice of casualization has now become the new toast of employers in Nigeria, because they find it more rewarding to place the Nigeria worker on contract, in order to deny them the benefits attached to the job. Apart from the fact that it has increased the rate of capital flight in the country, it also renders the citizens who are supposed to be the major beneficiaries of such investment improvised and completely hopeless. The increase in casual loading on employees has been viewed as a pragmatic response by employers to attain flexibility and lower cost. Employees have reacted to the continuous attitude of organization relating to change, it was observed by Buchanan (2004) that they are not given maximum attention or freedom of speech in the area where they are needed. There is inadequacy of knowledge management on the commitment of employees; they are not given adequate training to the job they are assigned to. This can lead to the poor performance of employees. It is against these backdrops, that the study seeks to address the challenges facing the organization.

LITERATURE REVIEW

Concept of Casualization

Bhorat and Hinks (2016), articulate the difficulty of defining casualization by pointing out that “defining casualization Issues of hours of worked, type of employment contract, who pays the employee, non-pecuniary benefits and whether working in the formal or informal sector mean several definitions can be adopted.” The traditional model of employment (permanent full-time employment with one employer until retirement) is steadily giving way to less stable (and often vulnerable) forms of employment (Cheadle, 2016). In this regard casual worker is defined as anybody that works in the informal sector (employee or self-employed) or a formal sector employee with a casual, temporary or seasonal employment contract or a part-time formal sector employee. As a concept, casualization captures the phenomenal growth, of nonstandard employment globally. A plethora of terms has been deployed to define and account for the growth of this kind of employment. Theorn (2015) notes that the international labor organization (ILO), have used terms like disguised employment, triangular relationship to define the emergence of subcontractors and independent contractors, home based worker and all manner of informalized work. Casualization therefore is a part of the new era of the management of labor, it is an era which fits many workers into the needs of production and service-delivery, by offering only very limited choices too workers. Shorter hours are usually associated with lower pay and lower skilled work. It is primarily undertaken by those with other commitment (e.g. careers for children, students and the elderly) (Buchanan, 2014).

Casual Loading

Munn, (2014) asserted that casual loading is the extra per hour pay that is attached to a casual worker. Every casual worker is entitled to a loading on his hourly rate of pay, which means that their hourly rate of pay should be more than the permanent workers doing the same work as them. Casual employment offers workers the chance to combine paid work with other activities such as education, and to employers, it offers a means of obtaining a more flexible workforce. However, where casualization is imposed on workers, this form of employment has been associated with discontent, low wages and lack of career opportunities.

Casual workers often also face difficulty borrowing money due to the uncertainty of tenure. He went further to states that causal loading increases the maximum performance, as it makes the organization to be more productive, in the sense that the worker is fully committed to the job assigned to them because of the benefit attached to it. In another view, Owoseye and Onwe (2019) opined that the organization perceives the use of casual staff as illegal, as it is against the labor law in the country. He explained that casual staff can be employed by a firm if the contract will not exceed the three-month agreement, the employer is expected to give a contract letter to the individual stipulating the terms of employment. He stated that though the organization is aware that some employers engage in the act, the organization try as much as possible to dissuade their members pleading morality, as they know it is an illegal act. The organization tries as much as possible to work hand in hand with the union to dissuade their members from engaging human capital for more than three months as casual staff. The organization know that casualization is taking place in the country but most of the companies perpetuating the offence are not members of the organization, so this has limited what the organization can do about it. The organization has always advised their members to permanent their casual staff by giving them a contract letter if they feel their services are still required or let them go if they cannot engage them. However, he argued that picketing of companies by the unions to dissuade the use of casual workers in the country is not the solution to the problem, as this has not stopped the act, noting that although it is the responsibility of the union to watch out for the workers, they can only get a concrete achievement with the support of the government.

Employee Commitment

Allen and Meyer, (1996) defined employee commitment as a psychological link between the employee and his or her organization, that makes it less likely that the employee will voluntarily leave the organization. Employee commitment is the relative commitment of an individual's identification with an organization that is characterized by a strong believe and acceptance of the organizational goals and objectives, a willingness to exert considerable effort on behalf of the organization and a strong desire to remain a member of the organization (Mowday 2012).

Employee commitment has benefit for both employers and employees (Mowday, 1998), for employees' commitment to work their organization, represents a positive relationship that could potentially and add meaning to life. Employers, having committed employees have the potential of increased performance, reduced turnover and absenteeism. Raab and McCain (2002) also linked employee commitment to an organization's efficiency, productivity, creativity and innovation.

Furthermore, the study of employee commitment has advanced in leap and bounds, the recent advances include approaches to both. the conceptualization of employee commitment and the particular human resource practice (casualization) intended to increase or reduce it. Herscovitch, (2011) asserted that Employee commitment can take different forms. As a result, it is often seen as human resource variable which is difficult to define. The context, direction and development of commitment, as well as the extent to which commitment influences behavior can result in confusion and debate. Here are some definitions of commitment in different contexts. connection to a goal being bound to a goal or the determination in respect of a goal, regardless of the origin of the goal. Believing in a goal and wanting to achieve it also reflects a certain degree of commitment. As a result, employees are more loyal to an organization and less likely to leave it. Flexibility has a dramatic positive impact on employee commitment and is one of the most powerful components of business. Commitment is higher and burnout is lower for employees who have access to flexibility compared with those who do not have it. In fact, the dramatic effect of flexibility on employee commitment is one of the most powerful components of the business. An engaged employee is concerned with producing quality work and believes that she or he has a stake in the organization.

Casualization and Employee Commitment

Campbell, (1996) lower levels of employee commitment amongst casual employees may arise because of

the precarious nature of this type of employment. According to Caldron, (cited in Dessler et al, 2004:198) people have a psychological reference point to their place of employment once you put them in the temporary category (casual labor), you are saying they are expendable and therefore they are less likely to exhibit loyalty and commitment to their organization. According to Deery (2002) without job security employees will simply treat their work as a 9-5 job without any burning desire to accomplish any more than its necessary to remain employed. In this word Deery opined that it does not take many uncommitted employers to prevent a business from prospering and thereby ceding a huge advantage to its competitors. According to employees, employers do not value loyalty; they are willing to sacrifice workers to maintain the financial bottom line. Employees point out to management practices like casualization as evidence that employers threat them as expendable commodities when times are tough (Bragg, 2002). Though the relationship between employers and employees has evolved significantly, unfortunately organizational practices have not kept pace with the changing needs of employees.

Theoretical Framework

The study is anchored on Social Action theory of Max Weber (1864). The theory holds out great promise seeking sociological approach and explanation to industrial casual workers attitude

and behavior. This is so because it takes into account both meaningful activity of the individual, the work environment and the large scale of society. He added that despite the early interest shown by industrialist in the societal moral order and overall division of labor their interest have subsequently proved to be largely confined to the group or occupational levels. He expressed that they have no successful related meanings at the micro levels. Social action theory is closer to casualization and to what is considered as the structural determinant imperative of managerial control, the dynamic and the imminent process of de-skilling and expectations. An implication from the creative essence of Max Weber, relates to this study is that social relations between super ordinates and sub-ordinates (i.e.) management staffs and casual workers), the work environment, organizational processes, individual personality and his socio-economic background are likely to affect the workers orientation, perception and this automatically transform into attitude and behavior (commitment) of the worker in the workplace, and this by excersion affects the goals and objectives of the organization.

Empirical Studies

A study carried out by Tinuke (2007) on Employment Casualization and Degradation of Work in Nigeria. The paper examines in multiple perspectives, casualization and degradation of work drawing issues and arguments from a practical dimension and implied theoretical frameworks. It summarizes the implications on three major actors in industry. It selected five companies each in three sectors where casualization is predominant. The study adds to the existing empirical literature on casualization and work degradation. It was facilitated by working with trade union partners. The study found that remuneration for contract staff is not fair or comparable to that of permanent workers. They are denied the right to organize and benefit from collective agreements. They are mostly not protected from exploitation by their employers. Casualization of labor is against the campaign of full employment. Casualization is detrimental to employees and has grave consequences on the employer and the national economy. It recommends that casualization be seriously checked and if possible expunged completely from being practiced in the employment system.

A study was carried out by Alozie (2009) on Work Casualization and Organizational commitment in the sender Industry in Benin City, Edo state. An organization's efficiency has been attributed to organizational commitment which may in turn lead to productivity, creativity and innovation, and profitability. Though, the qualification and skills of both casual workers and permanent workers in the same organization are virtually

similar, it is ironical that while permanent workers enjoy wide-ranging remuneration packages together with other fringe benefits, casualization of workers has engendered sordid and unfair employment experiences of casual workers. Irrespective of the aforementioned scenarios, equal job efforts are expected from both permanent staff and casual staff in the bid to achieve set organizational goals. Hence, it is empirically and scholarly worthy to embark on a study on the commitment 'level of casual workers in comparison to that of permanent workers. Subjects for the study comprised 114 permanent and casual workers selected through purposive sampling method from some service industries in Benin city, Edo state, Nigeria. The study confirms the preponderance of casual workers in modern organizations. It was found that there was an appreciable sense of commitment from both permanent and casual workers to their organization, though with slight difference. Secondly, it was found that organizational commitment was not dependent on employment status of workers and on the income of casual workers. Specifically, casual workers showed substantial signs of organizational commitment, largely due to the attachment to immediate workgroup. In conclusion, the slight difference in organizational commitment of permanent employees and casual employees is hinged on the socioeconomic demands of contemporary times, and the high unemployment rate in the country. It is thus recommended that the regularization of casual workers according to labor statutory provisions be done; and those who do not meet regularization parameters should be given both economic and psychological boost, as these will boost their organizational commitment.

METHODOLOGY

The area of the study is centered on Casualization and Employee Commitment (A case study of First Bank Nig Plc). The source of data deployed in this research is primary data and secondary data, which consists of closed-ended questionnaire instrument and the information gathered from within. This involves the various method and styles that was used in collecting, organizing and analyzing data in this study. However, a field survey method which involves the design of questionnaire was adopted in this study. Structured questionnaires were used to collect relevant information necessary for the study. In this research, the entire population of First Bank Nig Plc. Edo State is three hundred and fifty-five (355) both junior and senior staff.

Sample and Sampling Technique

The sampling technique used by the researcher is the Yamane, (1973) sampling technique. The formula is denoted below:-

$$N = \frac{N}{1 + N(e)^2}$$

Where N = Total Population = 355

$$R = 0.05$$

$$= \frac{355}{1 + 355(0.05)^2}$$

$$= \frac{355}{1 + 355(0.0025)}$$

$$= \frac{355}{1 + 0.8875} = 188$$

Based on the above calculation, 188 questionnaires will be randomly distributed to the respondents in both organizations. The content and face validity test were used by the researcher. The test-retest reliability test was used by the researcher and this was ensured by the supervisor. The method of data collection employed by the researcher was the questionnaire. It was divided into two sections. Section A contained the personal data of the respondents while section B contained questions relating to the study. The questions were on a five (5) point liker scale Strongly Agreed (SA), Agreed (A), Strongly Disagreed (SD) Disagreed (D) and

Undecided (U). Pearson product moment correlation coefficient was used to analyze the nature of relationship that exists between the independent and the dependent variable.

DATA ANALYSIS AND INTERPRETATION

Test of Hypothesis

Ho- There is no significant relationship between casual loading and affective commitment

Hi- There is a significant relationship between casual loading on affective commitment

Correlation

		Casual Loading	Affective Commitment
Pearson Correlation	Sig. (2-tailed)	1	.787**
Casual Loading	N	152	.000
		.787**	152
Pearson Correlation			
Affective	Sig. (2-tailed)	.000	1
Commitment	N	152	152

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

The result obtained from the test of the hypothesis shows that there exists a strong positive relationship of 76% between casual loading and affective commitment. Since the p-value of $0.01 < 0.05$, it shows that the result is statistically significant.

Hypothesis Two-

Ho- There is no significant relationship between organizational change and normative commitment

Hi- There is a significant relationship between organizational change and normative commitment

Correlations

		Organizational Change	Normative Commitment
Pearson Correlation		1	.721**
Organizational Change	Sig. (2-tailed)	152	.000
	N	.721**	152
Pearson Correlation			
Normative	N	.000	1
Commitment	Sig. (2-Tailed)	152	152

--	--	--

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

The result obtained from the test of the hypothesis shows that there exists a strong positive relationship of 72% between organizational change and normative commitment. Since the p-value of $0.01 < 0.05$, it shows that the result is statically significant. The finding from the testing of the first hypothesis shows that there is a significant effect of casual loading on affective commitment. This corroborates with Munn, (2004) that casual loading is the extra hour pay that is attached to a casual worker, which increases the maximum performance, as it makes the organization to be more productive, in the sense that the worker is fully commitment to the job assigned to them because of the benefit attached to it. Meyer and Allen (1991) see affective commitment as employee's positive emotional attachment to the organization.

CONCLUSION AND RECOMMENDATIONS

From the study it is concluded that casual workers are calculative to their work due to the way they are treated. To this extent, they see work as a means to an end this is so because their commitment to work is tied to salary and not be betterment of the organization. Thus, it can be said that casualization as a management practice surely affects employee commitment. From the result of the analyzed data, casualization has been proved to affect employee commitment, therefore, effort should be made to cut down its casual staff strength in organization, making sure that it is only tasks of intermittent nature that casuals are employed to undertake.

Finally, if the practice of casualization is to be practiced ethically, according to the laid down laws regulating employment, it will be found out that there is little or no evil associated with it. When this can be achieved, the negative relationship between casualization and employee commitment can be turned around and corrected.

The following recommendations were put forward in the course of this research:

- The organization should cut down on its casual staff strength (converting them to permanent/full time employees), since this research have proved that casualization affects employee's commitment. In furtherance of this, the organization should try as much as possible to ensure that casuals are only used in times when the organization is in dare need of them to carry out service rendering activity effectively.
- The organization should define terms of employment as much as possible for its casual staff, just in the case of its full time/permanent employees, so as to enable them knows that they are in for with the company. This will enable them know their rights, privilege, entitlement etc in the organization at every point in time.

Any worker that undertakes very important task in the organization that is employed as a casual should have his employment contract reviewed and converted to permanent. This will come as a boost to him and make him more productive on the long run.

- This research work has empirically proved that casualization in itself is not a totally bad practice because at any point in time workers in an organization can not totally be permanent employees. This is where the place of casualization comes in. In hiring casuals, measures should be put in place to make them fulfilled and to eliminate anything that will bring about marginalization between them and those of permanent employment status.
- The research work has proved that casualization affects employee commitment and overall employee performance, the organization then needs to formulate more and adequate compensation policies that will equally affect casual workers. The assumption here is that, the manner in which financial compensation is administered may account to a large amount of variation in employee commitment.

REFERENCES

1. Adesina, J. (200) Income distribution and inequality: gender, Labor Market status and Micro Economic Policy. *African sociology review*, 4(1): 1-34.
2. Allen, N.J & Meyer J.P (1996) Affective, continuance and Normative. Commitment to the organization: an examination of Construct validity *journal of vocational behavior*, Vol. 49, pp. 252-276.
3. Alozie, C (2009). *Recession: Temporary Employment, the new toast of Employers: next*, Lagos.
4. Anugwon, E.E, (2004), *Globalization and Labor Utilization in Nigeria: evidence from the Construction Industry*, Dakar: CORDESIA.
5. Bamidele, R. (2009). *Casualization and labor utilization in Nigeria*. Fountain University Printing Press, Oshogbo.
6. Basso, P. (2003). *Modern times, ancient hours: working lives in the 21st century*, London< Verso.
7. Bhort, H. and Hinks, T.J. (2006) *Changing patterns of Employment and Employer-Employee*.
8. Borland, J. Gregory, B. and Sheban P. (2001). *Inequality and economic change in J. Dorland, B. Gregory and P. Sheehan eds. Work rich, Work poor: inequality and Economic change in Australia*, Melbourne, Center for Strategic Economic Studies, 1-20.
9. Buchanan, J. (2004). *Not with a bang but a Whinper. Skills and the future of NSW manufacturing*.
10. Burgess J. and Campbell I. (1998). *The Nature and Dimension of Precarious Employment in Australia; Labor and Industry* 8 (3), 5-21.
11. Campbel, I. (1996) *The Growth of Casual Employment in Australia: Toward an Explanation in Tiechar J. non-standard Employment in Australia and New Zealand*, Melbourn: National key center in Industry relations, Monash University.
12. Campbell I. & Rhosman, S (1999) *Casual work and Casualization: labor and Industry Center for workplace changes*.
13. Campbel, I. (1996) *The Growth of Casual Employment in Australia: Toward an Explanation in Tiechar J. non-standard Employment in Australia and New Zealand*, Melbourn: National key center in Industry relations, Monash University.
14. Cambell, J. (2004). *Casual work and Casualization: How Australia Compare: Laboy and Industry centre for Workplace culture change*. Sydney.
15. Cheadle, H. (2006) *Regulated Flexibility: revisiting the LRA and BCEA Concept*. Paper unpublished.
16. Deery, M. (2002) *Labor Turnover in International and Tourism in D Anmenzio-Creen, N., Maxwell, G & Watson S. (eds). Human Resource Management. International Perspectives in hospitality and Tourism*, continuum, London.
17. Hall, R. (2002). *You value what you pay for enhancing Employers. Contribution to skill Formulation and use dusseldorf skill forum*, Sydney, 2002.
18. Kazeem, M. (2004). *Functioning of the Nigeria Labor Market. Mimo Labor act, (1990). Labor act of 1990? A publication of the Federal Ministry of Employment and Productivity*.
19. Lifuna, M. (2005). *Casualization: which way forward? Zambia times@zamtel.zm*
20. Lowry, D.S Simon, A. & Kimberly N. (2002). *Towards Improved Employment Relations, practices of casual Employees in the New Wales Registered Clubs Industry: Human Resource Development quarterly*, Vol.13 No. 1, pp. 5-26.
21. Mcdonald, D.J & Makin P.J (2000). *The psychological contract, Organizational Commitment and job satisfaction of temporary staff*, *Leadership and organization Development journal*, Vol. 21, No. 2. Pp. 84-91.
22. Meyer, J.P and Allen N.J (1991) 'A three component conceptualization of Organizational Commitment. *Human Resource Management Review* Vol. 1 pp. 61-89.
23. Mowday et al (1982). *Organizational linkages: the Psychology of Commitment, absenteeism and turnover* New York. Academic press.
24. Mowday, R.T (1998) *Reflections on the study and relevance of organizational Commitment; Journal*

- on Vocational behavior, Vol. 18, No.4. pp. 387-401.
25. Munn, C (2004). Casualization of the workforce: ANZ economic update munaccl@anz.com.
 26. Mowday, R.I (1982) Reflections on the study and Relevance of Organizational Commitment. Human Resource Management Review Vol.8 No.4 pp. 387-179.
 27. Okafor, E.E (2007). Globalization, casualization and capitalist Business Ethics: A Critical overview of situation in the Oil and Gas sector in Nigeria Journal of the Social Sciences.25 (2): 169-179.
 28. Okugbo, E. (2004). Strategic Issues on the Dynamics of Industrial Relations. Theory and Practice Lagos: Wepapo Enterprise.
 29. Owens, R. (2001) The Long term or permanent Casual- an Oxymoron or a well Enough Understood Australianism in the law. Australian Bulletin of Labor 27 (2), 118-136.
 30. Owseye, A. and Onwe, C. (2009). Recession: Temporary Employment the Toast for Employer. 234 next, Lagos.
 31. Pocock, B. (2003) The Worklife collision, Sydney, the federation press.
 32. Raab, C. & McCain S.C (2002) Employee Commitment and Restaurant Profitability: an exploratory study in the Las Vegas Restaurant Business, Journal of Human Resources in Hospitality and Tourism Vol. 1, No. 3. Pp. 14-22.