Who’s next for the Axe? Procedural Justice and Job Insecurity among bankers in Nigeria

AWOSUSI, Omojola Omowumi a *, FASANMI, Samuel Sunday b

 a Ph.D in Sociology, Ekiti State University, P.M.B. 5363, Ado-Ekiti, Nigeria.
 b M.Sc in Industrial/Organisational Psychology, Benue State University, P. M. B. 102119, Makurdi, Benue State, Nigeria.

Abstract

This study examined procedural justice as a predictor of perceived job insecurity in the banking industry. Two hundred bankers (both male and female) were purposively drawn from Ado-Ekiti in the South West of Nigeria. Two hypotheses were tested in the study. Results showed that procedural justice had a significant positive relationship with perceived job insecurity ($r = 0.39; P<.05$). Social factors of sex, job status, type of department, age, work experience did not jointly predict perceived job insecurity among bankers, $F (5,199) = 2.22, P > .05, R^2 = .03$. Findings also showed that sex, job status, age and work experience did not independently predict perceived job security among bankers. Meanwhile, type of department ($\beta = 0.19, t = 4.03; P < .05$) significantly, independently predict perceived job insecurity among bankers. Thus, it is recommended that the procedures for downsizing in the banking sector must be clearly spelt out and its implementations must be without favoritism or bias. This will go a long way in making the affected staff take the news of downsizing as a necessary cross to carry in nation building.

1. Introduction

In Nigeria banks today, no worker can beat his chest that his job is secured in the next few days. The banking system is currently undergoing a serious reform. The fallout of the reform was the indiscriminate sacking of over a thousand bankers in the last one year (Business News, 2012). Bankers are not really feeling secured with their job. Fear and anxiety of what policies the CBN (Central Bank of Nigeria) or his employer will come up with in the next 24 hours are in the air. In such atmosphere, productivity suffers. Most of the banks are now on variable pay system in which 75 percent or less of erstwhile are now being paid as the monthly salary. Thus, most bankers are now involved in alternative vocations such as online businesses to get extra pay.

The consequences that can be related to job insecurity are not limited to illness and poor well-being but also negative job attitudes and undesirable behaviour (Martínez and Hans de Witte, 2010). These variables may directly affect the productivity and the development of the Nigerian banks, not only because the workers might reduce their performance but also because valuable workers may take a drastic decision and look for other jobs with better
prospects. This underlines the importance of understanding job insecurity, its development and the course it takes, in order to be able to prevent and treat the effects it can have in the working population.

Job insecurity is a complex phenomenon that can affect not only the individual at work, but also the individual outside work, and his or her organization (Sverke, Hellgren, & Näswall, 2006). Greenhalgh and Rosenblatt (1984) define job insecurity as “the perceived powerlessness to maintain desired continuity in a threatened job situation”. Other authors have proposed alternative definitions: “a discrepancy between the level of security a person experiences and the level she or he might prefer” (Hartley, Jacobson, Klandermans, & van Vuuren, 1991, pp. 7), “one’s expectations about continuity in a job situation” (Davy, Kinicki, & Scheck, 1997, pp. 323) or “concern about the continued existence of jobs” (van Vuuren, 1990, cited in De Witte, 1999). These definitions highlight a number of important issues such as job insecurity and job loss, Hartley, Jacobson, Klandermans & Van Vuuren., (1991) and subjective and objective job insecurity, (Klandermans & van Vuuren, 1999). This study defines job security as the perceived stability and continuance of one's job characteristics and job itself. In contrast to other definitions in previous researches on job security, this definition does not include any attitudinal or affective reactions to perceived job security. Job security is meant only to encompass the perceived level of stability and continuance of one's job. Thus, job security exists when the future of the individual's job is perceived to be stable or not at risk. This study also adopts the definition in which job insecurity is seen to be caused not only by the threat of job loss but also by the loss of any dimensions of the job. Thus, job insecurity may appear in seemingly safe employment arrangements.

The uncertainty and the powerlessness the workers suffer refers to a future situation, making the individual wondering about the future employment prospects of the present job. And this can be a very precarious situation: when the workers are actually fired or have been notified that they will be fired soon, they can take actions or do something to buffer the negative consequences of the dismissal. In this case, the workers can cope with the possible results of the job loss by doing something against it. In contrast, job insecurity implies that there is no certainty about losing the job. Hence, the worker is located in the middle of two possible positions: keeping his job or losing it. As a result, there is uncertainty about the future. And the future not only refers to the working situation, but also to aspects as family, social relations or health. Losing the job may have a negative effect on a lot of different situations and persons.

In the early 1970s, however, researchers began to claim that an individual's evaluations of allocation decisions are affected not only by what the rewards are, but also by how they are made (Deutsch, 1975; Thibaut & Walker, 1975; Leventhal, 1976a, 1980). This idea has been referred to as procedural justice - the perceived fairness of the policies and procedures used to make decisions in the workplace (Greenberg, 1990). A great deal of research concerning justice has historically emphasized the distribution of payment and other work-related rewards derived from equity theory (Greenberg, 1987). Although this outcome-oriented perspective explains how employees react to the nature, level, and distribution of organizational rewards, it ignores the procedures or means through which ends are established. Therefore, the research focus has recently shifted from distributive justice to procedural justice (Greenberg, 1990). Indeed, rather than simply being a means used to achieve distributive justice, procedural justice has value in its own right. In other words, the procedures used to determine a particular outcome can be more important than an actual outcome itself (Folger & Greenberg, (1985); Folger & Martin, (1986); Martin & Bennett, (1996); Martin & Nagao, (1989). Brockner et al., (1994) ascertained that decision rule based on equality rather than victim need or equality is seen to be most fair in determining who will remain employed and who will be laid off. Procedural justice reflects the fairness of the processes used to implement the downsizing (Brockner & Greenberg, 1990). Procedural justice has typically been operationalized in term of the decision rule used to determine who is laid off and in term of the amount of advance notice that is provided to victims. When workers perceive the decision rule to be equitable and merit-based, these authors argue that they will feel secured with their job (Brockner et al., 1995).
A number of private sector studies have examined the organizational consequences of job insecurity. Probst (2004) found out that job insecurity results in a variety of employee outcomes such as decreased job satisfaction - yet increased productivity - lower organizational commitment, higher turnover intentions, and more mental distress. In a related study, the author also found employee safety as an important outcome of job insecurity. Probst (2002) showed that job insecurity is related to lower employee safety knowledge and motivation, less safety compliance, and more accidents and injuries. A follow-up study showed that this decrease in safety is also accompanied by a decline in employee emphasis on product quality. Interestingly, when threatened with layoffs, employees focus more energy on sheer production at the expense of safety and quality. However, preliminary research being conducted right now in his laboratory shows that while productivity may increase, creativity decreases. Thus, organizations may "win" the productivity battle, but lose out when it comes to employee creativity and adaptability (Probst, 2003).

This research is geared towards knowing the effect of procedural justice on job insecurity among bankers in Nigeria. The researcher examined the independent and joint influence of social variables such as sex, job status, type of department, age, working experience, ethnic group on job security among Nigeria bankers. The study also examined the relationship between procedural justice and perceived job security among Nigeria bankers.

2. Method

2.1 Research Design

This study research is ex-post facto design. This design was employed because participants were not subjected to any direct manipulation by the researcher, but the independent variables had their influences prior to the commencement of the study.

2.2 Participants

Staff of First Bank Plc, Zenith Bank Plc, Guaranty Trust Bank, First City Monumental Bank, Access Bank Plc, Mainstreet Bank Plc, Diamond Bank Plc, and Union Bank in Ado-Ekiti branches participated in the study. The researcher used 200 respondents in all. This consists of 20 employees in each of the 10 selected banks in the capital city of Ado-Ekiti. In all, 58.0% were female while 42.0% were male. 67.0% were marketers while 33.0% were operation staff. Both permanent and temporary staff were considered for this study. Purposive sampling technique was used for the study.

2.3 Instruments

Questionnaire used consists of three sections. Section A captured demographic characteristics such as sex, marital status, age, religion, educational qualification, job status, department and work experience. Section B is a job insecurity scale developed by Ashford, Susan, Lee, Cynthia, and Bobko, (1989). The 13-item scale is made up of two components namely perceived threat and perceived powerlessness. The first ten items on the scale consists of questions intended to capture an individual’s perceived total job threat. The items pose questions relating to the future possibility of job loss, retirement and re-employment. Responses are recorded by employing a five point likert format. An alpha coefficient of .75 has been reported by Ashford et al (1989) for this subscale. Likert scoring format was used as the scoring pattern for the scale. Every item has a score between 1 and 5 with 1 standing for strongly disagree, 2 for disagree, 3 for undecided, 4 for agree and 5 for strongly agree. High score on the scale indicate a highly perceived threat to job, where low score would represent a low perceived job threat.

The second sub-scale of job insecurity refers to employees’ perceived powerlessness. It consists of three items. Likert scoring format was used as the scoring pattern for the scale. Every item has a score between 1 and 5 with 1
standing for strongly disagree, 2 for disagree, 3 for undecided, 4 for agree and 5 for strongly agree. Individuals with a low score would indicate a perception of powerlessness, while a high score denotes a sense of power to resist possible threat to one’s job. Ashford et al. (1989) reported an alpha coefficient of 0.83 for the powerless sub-scale.

Perceptions of procedural justice were measured using 15 items developed by Niehoff & Moorman (1993), because the scale consists of two factors: systematic and informational justice, that are consistent with taxonomy of procedural justice. Among the 15 items, six items (1-6) were designed to measure the fairness of formal procedures (i.e., systematic justice) in the organization as revealed by procedures which promote consistency, bias suppression, accuracy, correctability, representativeness, and ethicality. Nine items (7-15) were designed to measure supervisor consideration of employee rights, treatment of employees with respect and kindness, and provision of explanations and justification for decisions (i.e., informational justice). Items for informational justice include questions that focus on the interpersonal behavior of the supervisor. This scale is based on one used by Moorman (1991), and has reported reliabilities above .90. The perceptions of procedural justice are measured on a five-point Likert-type scale from (1) "Strongly Disagree" to (5) "Strongly Agree". In this research, reliability coefficient alpha of 0.94 was reported. Item total correlation was done to test for the validity of the scale. The coefficients for the item total reflect 0.83, 0.74, 0.91, 0.77, 0.82, 0.81, 0.43, 0.47, 0.80, 0.08, 0.87, 0.75, 0.81, 0.86 and 0.69 for items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 15. Only item 10 is to be discarded. This shows that the scale is valid.

2.4 Procedure for Data Collection:

The researcher personally administered the questionnaire to the respondents. The researcher visited the banks to distribute the questionnaires. The questionnaires were distributed during the work hours after they had been informed through the bank managers. Most often, the researcher had to drop several copies of the questionnaires to the customer care units and come back. The job schedules of the bankers were very hectic.

2.5 Statistical Analysis

Data collected from the field were analyzed using Pearson r correlation and multiple regression analysis.

3 RESULTS

RESULTS

Two hypotheses were generated and tested for this study. Hypothesis one stated that procedural justice will be positively related to perceived job security among bankers.

Table 1. Summary table of Pearson correlation showing the relationship between perceived job security and procedural justice among bankers

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
<th>df</th>
<th>r</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job insecurity</td>
<td>200</td>
<td>43.81</td>
<td>4.12</td>
<td></td>
<td>.39</td>
<td>&lt;.05</td>
</tr>
<tr>
<td>Procedural Justice</td>
<td>200</td>
<td>43.80</td>
<td>9.51</td>
<td>198</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 1 above showed that procedural justice had a significant positive relationship with perceived job security ($r = 0.39; P < .05$). This implies that the higher a worker is on the procedural justice, the lower he/she feels secured with his/her job and vice versa.

Table 2. Summary of Multiple Regression Analysis showing the influence of sex, job status, type of department, age, work experience and ethnic group on perceived job security among bankers
Table 2 above showed that the social factors of sex, job status, type of department, age, and work experience did not significantly co-jointly predict perceived job security among bankers, $F(5, 199) = 2.22$, $P > .05$, $R^2 = .03$. The table also revealed that sex, job status, age, and work experience did not respectively significantly and independently predict perceived job security among bankers. Meanwhile, type of department ($\beta = 0.19$, $t = -4.03$; $P < .05$) significantly and independently predict perceived job security among bankers.

**4 Discussion and Conclusion**

This study has shown that procedural justice has a significant relationship with perceived job security. This implies that the higher a worker is on the procedural justices, the lower he/she feels secured with his/her job and vice versa. This is in line with the research findings of Brockner, Grover & Blonder, (1998) that a decision rule based on equality rather than victim’s need or equality is seen to be most fair in determining who will remain employed and who will be laid off.

This research has shown that the social factors of sex, job status, type of department, age, and work experience did not significantly and co-jointly predict perceived job security among bankers in Nigeria. This is in contrast with the findings of Nolan, Wichert, and Burchell, (2000) who found that age has a positive relationship with job security. This research has however revealed that sex, job status, and age did not respectively, significantly, and independently predict perceived job security among bankers. This implies that both the old and young bankers are not significantly different in their perception of job security. It also implies that workers’ sex and job status are insignificant in their perception of job insecurity. Nolan (2005) in a related study found out that job security is important to men not just because of income loss, but because it may also be tied in to broader cultural expectations of being a ‘good provider’. In a related study, Burchell (1994) also found that the security of the new job was more important, psychologically, to the men in this study than the women. One interpretation of these results is that for many of these men being a 'breadwinner' is central not just to their economic needs, but also to their sense of masculinity (Hood, 1993, Nolan et al 2000). However, sex had no significant independent prediction from the findings of this study. Meanwhile, type of department, significantly and independently predicts perceived job security among maritime workers. This might not be unconnected with the fact that marketers feel more heat than the operation staff since they are always the easy prey to their management when they fail in meeting bogus and unrealistic targets often given to them.

This research has established a relationship between procedural justice and job security. In actualizing downsizing policies, justice must be given a priority. The procedures for downsizing must be clearly spelt out and its implementations must be without favoritism or bias. This will go a long way in making the affected staff take the news of downsizing as a necessary cross to carry in nation building. The workers would also show cooperation towards the reform and thus feel secured with their job.

**References**


Charles, N. and James, E. (2003), ‘Gender and work orientations in conditions of job insecurity’, *British Journal of Sociology, 2*, 239-257.


