Job Insecurity and Motivation among Women in Nigerian Consolidated Banks

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ABSTRACT

Purpose- This study examined the predictors of perceived job insecurity and motivation among two hundred and eighty six female participants in merged and acquired banks in two capital cities of South West Nigeria.

Design/methodology/approach- The participants in this survey were accidentally sampled for convenience of participants and ease of administration because of the tight work schedule. Data collected was analysed using regression and t-test statistics.

Findings- The results of the research indicated joint significant influence of job characteristics and organizational justice in women’s perceived threat of job loss and motivation. Specifically, organizational justice (procedural justice) exerted a strong influence on the dependent variables for women in both acquired and merged banks.

Research limitation/implication- Use of accidental sampling is a limitation. Further studies should adopt other sampling techniques that may capture the a significant sample of the population.

Practical implication- These findings implied that unless changes are managed in structured, systematic and constructively in ways perceived by women to be fair, organizations will remain far from realizing the benefits of restructuring and downsizing.

KEY WORDS: Job Insecurity, Motivation, Job characteristics, Organisational justice, Consolidated banks
INTRODUCTION

In recent times, increased economic dependence between countries, rapidly changing consumer markets and escalated demands for flexibility have necessitated various organizations such as the banking industry to embark on radical consolidation processes for survival. These adjustments have become imperative for such organizations to remain relevant in the present unpredictable economic environment. Being profitable involves embarking on a process that can either increase their gains or decrease their costs by reducing the number of employees. This is implemented through actions such as outsourcing, privatization, mergers and acquisition which are often combined with personnel reduction through lay offs, offers of early retirement and increased utilization of subcontracted workers. Consequently, in making merger or acquisition decisions, management are often concerned with financial advantages or product synergy (Robbins, 1998) to the detriment of workers’ survival. Although differences exist in the strategies adopted by organizations, the effects on organizations and the workforce vary.

The purpose of this study was to examine how the aspects of skill variety, autonomy and feedback of job characteristics and organizational justice will predict perceived job security and motivation of women. It also sought to determine if significant differences existed between women employees of merged and acquired banks perceive job security and motivation. Although mergers and acquisition is a new programme in most organizations in Nigeria, its implementation has led to mass layoffs and redundancies especially in the banking industry. During the consolidation process, 25 banks were approved to continue with their banking functions by the Central Bank of
Nigeria, which is the government approved regulating body for the consolidation process. 8 banks were merged and 10 were acquired by other banks within Nigeria. Seven other banks neither merged nor acquired. 13 had their license withdrawn. The implication is the loss of jobs for 45,000 workers in the affected banks (Okafor, 2007). There is a ratio of 35 females to 55 males in the banking industry Nigeria. For survivors in such situations, fear of the unknown and anticipation of the worst in the face of uncertainty may prevail. As a result, willingness or motivation to carry on their duties may diminish.

Literature Review

Research in Europe has shown that the historic surge of consolidation and combination is occurring in the face of strong evidence that mergers and acquisitions, at least over the past 35 years, have hurt more than helped companies and shareholders (Zweig, 1995; and Troiano, 1999). In addition, Davy, Kinicki and Scheck, (1991) reported that organizations encounter problems such as inability to change after embarking on this exercise. One common effect of these strategies on the workforce is that there is feeling of insecurity and organizational morale is diminished (Armstrong-Stassen, 1993a). Could it be that consolidation processes do not yield anticipated results for both organizations and employees because issues concerning security and motivational needs of survivors are not being addressed?

In particular, restructuring processes may make career development become an uphill task for women. Women tend to have different needs and orientation to work (Smith, 2000). Satisfaction with one’s job in terms of condition, policies and practices is very crucial because it has been found to be positively related to career growth (Chovwen, 2004). Furthermore, in her study of the realities of Nigerian Organisational
Health Policies and Practices for female employees, Udegbe (2003) reported that some employment and placement practices in the workplace are such that women are not allowed to take jobs that may be hampered by their ‘reproductive health concerns’.

In addition, studies have shown that despite the growing evidence that firms with high numbers of women executives tend to outperform their industry (Alder, 2001), women continue to leave their corporate positions voluntarily and involuntarily, and more women than men are leaving corporations (Catalyst, 2001). All these have implications for the career development and retention of women in the workplace and particularly in male dominated occupations.

As revealed by Webster (2001), the processes of restructuring are not positive for employees and this may be worse for women. According to him, employees are often informed of redundancies after investors have been told, public announcement made through the media and this creates an atmosphere of exclusion and mistrust. Subsequently, reactions of the employees who remain may dictate the organisations effectiveness (Brockner, 1992). It may be appropriate to suggest here that employees’ perception of job insecurity and level of motivation may go a long way in determining the achievement of the goals of consolidation.

Job Insecurity and Motivation in Merged and acquired Banks

Job insecurity relates to the perception of threats, opportunities and the control individuals have regarding their responsibilities at work. When threats are perceived to be greater than opportunities, when there is perceived lack of control and changes in job characteristics, survivors will experience job insecurity. According to Armstrong-Stassen and Latack (1992) all jobs are seen as less secure after downsizing and it is the
organizations in which job losses have been largest that the decline in trust and commitment may be greatest. On the other hand, Hallier and Lyon, (1996) argued that this need not be so where people do not identify with those who have been made redundant even when they have direct and objective knowledge of the situation.

However, it is important to bear in mind that it is not uncommon to find that colleagues empathise with others in difficult situations. It is interesting to know that even for the employees not directly affected, redundancies have several widespread effects. For example, there are pervasive feelings of uncertainties and insecurity often associated with “freezing” of posts or regression paths in organizations. Early retirement schemes are sometimes introduced and old workers are made to feel unemployable. Furthermore, staff not directly affected often report “survivor guilt” (Collins and Wickham, 2001). Survivors are faced with increased workload and organizational changes which are considered stressful. Launis, Neimela and Kantola, (2001) reported that progressive shortage of staff in bank branches throughout Europe led staff to characterized working in branches as doing impossible work. From this point of view, work becomes impossible because fewer workers are saddled with increased workload. Thus, the achievement of set goals and objectives in these organizations may be considered difficult. This experience is likely to reduce the level of motivation.

Motivation is a process through which people are propelled to engage in particular behaviour. It is the psychological processes that cause the arousal, direction and the persistence of voluntary actions (Kreitner and Kinicki, 2001). Similarly, Steers and Porter (1983) described motivation as comprising of energizing, directing and sustaining components. These researchers suggested that when an inner state of disequilibrium is
reached, an individual tends to engage in certain actions to modify the imbalance. The anticipation that these actions will satisfy the need, desire or expectation will bring about motivation. Persistence in a job that does not lead to an expected result especially during merger and acquisition processes will increase perceived job insecurity and low motivation. This perception may influence survivors to engage in behaviours detrimental to the organization. Only challenging jobs which have the opportunities for achievement, recognition, advancement and growth will motivate workers (Taiwo, et.al. 2005). For example, women tend to have different needs and orientation to work (Smith, 2000) and they are more willing to move to new jobs that promise more fun and fulfilment (Tulgan, 2000). This means organisations may continue to lose their significant contributions if they perceive insecurity and not motivated. Success in motivational programs is becoming more challenging in the light of organizational trends to downsize, reengineer and in demands associated with managing a diverse workforce. It then becomes imperative for organizations involved in restructuring processes to consider carefully the consequence of restructuring in the light of job characteristics and organizational justice, insecurity and motivation of employees.

Job characteristics are a form of job enrichment with inherent attributes that culminate in intrinsic motivation to work on the part of employees. The job characteristic model developed by Hackman and Oldman, (1975) is one which suggests that objective facets of attributes of individuals’ jobs primarily determine their perceptions of and responses to the jobs. The Job characteristics model focuses on five core job dimensions which are skill variety, task identity, task significance, autonomy and feedback. According to this model, if skill variety, task identity and significance exist in a job, the
incumbent can be predicted to view the job as being important, valuable and worthwhile. Jobs that possess autonomy give the incumbent a feeling of personal responsibility for the result. If a job gives feedback, employees will know how effectively they are performing. Job characteristics can change quality and quantity wise. A qualitative change may decrease career possibilities or reduce the variety or autonomy in the work tasks. A quantitative change may imply an increase in work burden and all these may in turn lead to lack of motivation.

From a motivational point of view, the models say that individuals obtain internal rewards when they learn that they personally have performed well on a task that they care about. Thus, jobs that are high on motivating potential must be high on at least one of the three factors that lead to the experience of meaningfulness. Thus, perception of job characteristics will affect the evaluation of job worth which in turn leads to the perception of degree of job insecurity. Specifically, women may pay close attention to how the banking sector treats employees on their way out and also note specific systems organizations put in place to make walking away easier. These include benefits such as openness with employees, career training, and job placement assistance and relief packages. This is perceived organizational justice. This is particularly important because these experiences would determine women’s willingness to remain and motivation of younger women to enter the banking industry since these experiences are often shared. Mishra and Speitzer (1998) proposed that high levels of both trust in management and perception of justice in the way downsizing is implemented and managed will increase the constructiveness of survivors’ responses.
There are two types of perceived organizational justice: procedural justice and distributive justice. Procedural justice focuses on the fact that individuals will be most satisfied if they perceive that the procedures used in lay off decisions are fair. These include opportunity to voice their opinion, lack of bias of the decision maker, and in the event of unfavourable outcome, what procedure exists to challenge the decision. When these are present, survivors may perceive more job security and be motivated. Usually, individuals cannot directly control the decisions, but can react to the procedure employed in decision making. Even when a particular decision has negative outcomes for the individual, fair procedures help ensure that the individual feels his or her interest is being protected. Distributive justice, on the other hand, focuses on the perceived fairness of the outcome. Specifically, these perceptions pertain to rewards received from the organization as well as decisions and ends achieved by the organizations which may be negative. In a study of the determinants of female executives’ psychological well-being, Chovwen (2003) reported that within the prevailing culture of a male dominated work environment, females perceived differential treatment, in other words, they are invisible, marginalised and stereotyped. Situations such as this may prevent organizations from reaching their goals.

This study was informed by the findings of various researchers which supported the fact that job cut survivors often face fear of job loss or loss of valued job features and may lack motivation to go through the changes. In particular, women were considered because their career development is often hindered by unfair organizational policies and procedures (Chovwen, 2007). Armstrong- Stassen (1993a) noted in his study of job-loss that trust in the company was lost, survivors felt insecure and organizational morale
diminished. He also found that those survivors who had seldom or never experienced redundancy in their department exhibited more negative reactions than those who had experienced numerous layoffs. This would suggest that unexpected redundancies, which are also perceived as unjust or against the organizational norms, are more likely to create negative responses from survivors. It may then mean that since merger and acquisition is relatively new in Nigeria, survivors may not be willing to extend their duties beyond what is absolutely necessary if there is perceived insecurity and lack of motivation. This, in turn, may have a negative effect on organisational effectiveness.

METHOD

Participants

This research was carried out through a survey that involved 286 employees of eight banks that underwent mergers and acquisition. The average age of these respondents was 30.65 (SD=4.19) years ranging from 27 to 47 years. Their average length of service in these organizations was 3.31 (SD=1.81) years ranging from 1 to 9 years. Forty two (15.0%) of the employees were senior staff, 111 (38.8%) were middle level staff and 133 (46.5%) fell within the category “others”. One hundred and fifty eight (55.2) were in the merged banks while 128 (44.8%) were in the acquired banks.
Measures

The following five standardized measures were used in this study to obtain the required information.

Job Characteristics Inventory.

The 21 item scale was developed by Hackman and Oldham (1975) and the dimensions of skill variety, autonomy and feedback were used. The above dimensions have reliability of .71, .66 and .71 respectively. These resulted in 12 items. Items 8, 10, 14 and 16 were reversed coded. Items 3, 5, 9 and 11 were dropped because their item total correlation with other items was below .3. The reliability estimate for the items retained was .74, while the split half reliability was .62. Item total correlation ranges from .36-51. The response format for these measures is very inaccurate (1) to very accurate (7).

The Procedural Justice Scale

This scale was developed by Niehoff and Moorman (1993). It is a 15 item scale and has a response format of 7 point Likert type ranging from strongly agree (1) to strongly disagree (7). It has a reliability of .71 as reported by the authors. This scale was used to measure employees’ perception of justice in the procedures used in downsizing. High scores on this scale indicate that an employee views justice in procedures of downsizing as unfavourable. The standardized item alpha as was used in the study was .92, while the split half reliability was .83. The item total correlation ranges between .47-75.

Distributive Justice Index

This scale was developed by Price and Mueller (1986). It is a 5 item scale and has a response format of 5 point Likert ranging from strongly disagree (1) to strongly agree (7).
It has a reliability of .90 as reported by the authors. High scores reflect favourable perception of the outcomes in decision making. The standardised item alpha of the items as was used in the study was .87, while the split half reliability was .82. The item total correlation was between .57-77.

Job Insecurity Scale
This measure was developed by Ashford, Lee and Bobko (1989). It is a 13 item scale with a 5point Likert response format. It has reliability estimates ranging from .74 to .92 for each insecurity component. Job insecurity has two dimensions of job loss and perceived powerlessness. Job loss is a 10 item measure with reliability .71, while powerlessness dimension has three items with reliability of .83. High scores on job insecurity scale indicate perception of job insecurity. Items 4 and 5 in job loss dimension were drop for low item total correlation score. For this scale standardized item total alpha was .75.

Intrinsic Motivation Scale
Intrinsic motivation scale has 6 items and was developed by Hackman and Oldham (1974). It has a 5point Likert response format in rating from strongly disagree (1) to strongly agree (5). It has the reliability of .79 as reported by the authors. High scores indicate that employees feel motivated in their job after downsizing. Items 3 and 5 were
recoded. Three items were dropped and the standardised item alpha for the remaining items was .77.

Procedure
A total of 450 questionnaires were accidentally distributed to employees of the eight randomly selected merged and acquired banks in two capital cities in the South West of Nigeria. The accidental sampling technique was adopted because of the busy schedule of bank staff. Only bank staff that were available and willing to participate were included in the study. This was done after permission was sought from the human resources head of the different branches. The administration and collection was carried out for a period of ten weeks because some of the respondents could only participate in the study after work hours. Out of the 450 questionnaires accidentally distributed, 283 were retrieved while 266 were usable.

Statistics
Multiple regression analyses using hierarchical regression were carried out in order to determine the independent influence of skill variety, autonomy and feedback (aspects of job characteristics) and procedural and distributive justice (aspects of organizational justice) will predict perceived job security and motivation among women. T-test analysis was also carried out to determine the differences in perceived insecurity and lack of motivation between employees of merged and acquired banks.

Results
Predictors of Job Insecurity

The findings of the study revealed that in the first model, demographic variables had no significant joint influence on the threat of job loss. Further analysis showed a significant joint influence of demographic variables and job characteristics (skill variety, autonomy and feedback) on threat of job loss dimension of job insecurity (R=.04, F(6,259)=2.83, P<.05). Individual contribution revealed that in the first model, job position (b=.14) was the only significant factor. In the second model, job position (b=.15) and feedback (b=-.13) were significant contributors to the threat of job loss. In the third model, when perceived organizational justice was regressed on the dependent variable, there was a significant joint influence of job characteristics and organizational justice on the threat of job loss. (R=.13, F (8,257) =4.9, P<.05). Individual contributions revealed the influence of job position (b=.09) and procedural justice (b=.27) were significant predictors.

For the perceived powerlessness dimension of job insecurity, it was only the addition of perceived organizational justice in the regression model that indicated a significant influence. (R=.11, F (8,257) =3.8, P<.05). Independent contributions showed the significant influence of procedural justice (b=-.14) and distributive justice (b=.26) on perceived powerlessness.

Predictors of Motivation

It was hypothesized that job characteristics and perceived organizational justice will jointly and independently predict motivation. Perceived job characteristics and demographic variables significantly jointly predicted motivation (R=.15, F (6,259) = 7.6,
Independent contribution of variables indicate significant effects of skill variety ($b=.20$) and feedback ($b=.27$). Furthermore, job characteristics and perceived organizational justice significantly predicted motivation. ($R=.5, F(8,257) = 5.8, P<.05$).

It was also hypothesized that employees of merged banks would be better motivated and perceived less job insecurity than those in acquired banks. The findings indicated no significant difference in perceived insecurity and motivation. However, observation of means revealed that survivors of acquired banks perceived greater insecurity and were less motivated than those in merged banks.

Predictors of Job insecurity and Motivation in Merged Banks

All independent variables jointly predicted the threat of job loss dimension of job insecurity ($R=.94, F(1,146) = 15.09, P<.05$). However, only procedural justice ($b=.29$) significantly independently contributed to this variable. For the perceived powerlessness of job insecurity, the independent variables had significant effect on the dependent variable. ($R=.09, F(1,146) = 15.68, P<.05$). Individually, only distributive justice ($b=.29$) and job characteristics ($b=.19$) had significant influence on the dependent variable. For motivation, the independent variables had significant joint prediction ($R=.17, F(1,146) = 30.12, P<.05$). Job characteristics ($b=.39$) was the only individual significant predictor.

Predictors of Job insecurity and Motivation in Acquired Banks
For survivors of acquired banks, the independent variables jointly predicted the threat of job loss dimension of job insecurity ($R = .34, F (1,116) = 14.5, P < .05$). Individually, only procedural justice ($b = .31$) had significant influence. For the perceived powerlessness dimension of job insecurity, independent variables exerted significant influence ($R = .04, F (1,116) = 4.83, P < .05$). Only distributive justice ($b = .19$) had a significant effect. Considering the influence of the independent variables on motivation, the findings revealed a significant influence. ($R = .15, F (1,116) = 19.75, P < .05$) and only job characteristics ($b = .35$) had a significant influence on motivation.

Discussion

As mentioned earlier, restructuring processes are relatively new in Nigeria and, as a result, this study was carried out to investigate the influence of perceived insecurity and motivation among survivors in the organizations that have embarked on downsizing through merger and acquisition. According to literature (Greenhalgh, Lawrence and Sutton, 1988), survivors of organizational downsizing are prime candidates for insecurity, having seen their colleagues made redundant through consolidation practices and policies. In addition, studies have shown that all jobs are seen as less secure after downsizing and there is decline in trust and commitment (Armstrong-Stassen and Latack, 1992). In line with the above, the findings of the study revealed significant effects of independent variables on the dependent variables. Specifically, the results of hierarchical regression indicated a significant joint effect of job characteristics and organizational justice on the threat of job loss (a dimension of job insecurity) for survivors. Individual contributions highlighted the effect of job position, feedback and procedural justice for
the threat of job loss. Further analysis showed a significant effect of organizational justice on the perceived powerlessness (a dimension of job insecurity). Specifically, procedural and distributive justices were implicated as a significant individual contributor to job insecurity. Generally, it was observed that organizational justice is a salient factor to be considered in the process of restructuring. Firstly, these results confirmed the findings of Broackner (1992) and Ciancio, (2000) who stated that job security involves an employee’s perceived control over job related issues and changes in their job characteristics. Furthermore, it lend credence to the findings of Greenberg (1987) who stated that employers need to pay close attention to how people are treated in terms of unfair procedural and distributive actions during any major transition or organizational change. Thus, it is not surprising to find out that in both merged and acquired banks, perceived job insecurity for women was significantly influenced by procedural dimension of organizational justice. It is important for organizations especially those involved in merger and acquisition processes to note that survivors’ perception of fairness of procedures adopted in decision making will go a long way in determining the effectiveness of consolidation processes. Thus, there is the need for organizations to provide survivors with adequate information regarding consolidation procedures and practices. This means for women to perceive that their jobs are secure in the new work environment, they must perceive that job characteristics do not change and that there was fairness in decisions adopted in layoff procedures.

For perceived motivation, while all the independent variables jointly predicted motivation, feedback and skill variety exerted significant individual influences. In addition, while all the independent jointly determine perceived motivation for women in
both merged and acquired banks, results indicated significant individual contributions of job characteristics. This means that for women to be motivated, it is important that they perceive changes in skill variety and feedback as favourable. If this is otherwise perceived, they may not be motivated to follow through with these changes and this may affect the organisation’s productivity. These findings confirmed the work of Broadbent (2002) which revealed that employees who are faced with loss of autonomy, job expertise, and reduced opportunity to participate in the changes experience an increased feeling of isolation from management. In a study carried out by Campbell et al (2000), it was found out that 73% of managers perceived a decrease in morale following redundancy compared to 42% who had not experienced redundancy. Similarly, 54% of managers experienced a decrease in motivation following redundancy compared to 33% from the no redundancy group. In situations where survivors are required to take up the duties of those laid off, they need additional skills and resources to cope with the increased variety of their jobs. Consequently, this may result in lack of motivation in the face of merger and acquisition.

Finally, it was found out that there was no significant difference between employees in merged banks and those in acquired banks in terms of perceived insecurity and motivation. This result could be interpreted to mean that the merger and consolidation process has not been significantly beneficial (Zweig, 1995 and Troiano, 1999). In addition, Davy, Kinicki and Scheck, (1991) have reported that organizations encounter problems such as inability to change after embarking on this exercise. This finding strengthens the argument of this study which was also confirmed by the findings of Armstrong-Stassen, 1993a that one common effect of these strategies of merger and
acquisition is on the workforce who perceive a feeling of insecurity and diminished organizational morale. All these have revealed that changes in terms and conditions policies, pay and grading structure, job description may have significant detrimental effects especially for women.

Conclusion and Implications

An interesting finding of this study is the significant joint influence of job characteristics and organizational justice on perceived motivation and insecurity. This means when women perceive difficulties arising as a result of job characteristics and unfair procedures, they may feel job security is threatened and level of motivation may be affected. These individuals could just as well be motivated to oppose change as any other group (Holmstrand and Stens, 2001). Organizations risk resistance to change from survivors who see layoff as unfair or resulting in uncertainties. When this happens, the purpose and importance of consolidation is defeated. According to Mishra and Speitzer (1998), high levels of both trust in management and perception of justice in the way downsizing is implemented and managed will increase the constructiveness of survivors’ responses. It is therefore important for managers to be aware of the predictors of insecurity and motivation especially among women as they organize into strong coalitions to push for their rights when implementing changes. They may put in place human resources policies that will help cushion the effect of changes unanticipated by women. For example, it was observed during the period of data collection that two banks anticipated negative reactions from employees and prepared measure to cushion the effect of restructuring. In these organizations, existing staff were assured they would not
lose their jobs within the next 12 months of the consolidation process. A voluntary exit plan was put in place for staff who desire to pursue their personal career. Under this plan, a generous financial package was offered and seminars were organized to prepare those that would be laid off to face future challenges. In addition, special seminar and workshops for women regarding entrepreneurial skills, financial management and leadership could be organised before the layoff process commences. All these would ensure, firstly, that workers and, in particular, women keep their minds on their tasks of meeting customers’ needs, which was one of the goals of merger and acquisition and this helped boost morale. Secondly, it would prepare them to face the challenges ahead. Unless changes are managed in a structured, systematic and constructive manner, organizations will remain far from realizing the benefits of restructuring and downsizing.

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