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How do HR Professionals Negotiate Organisational Legal Compliance and Strategic Decision Making in Britain?

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Abstract

This paper explores the relationship between compliance and strategic decision making from the perspective of senior HR professionals’ professional identity. This research takes a multi case research approach across three public sector organisations; a primary Care Trust (PCT), a university and a local education authority in the southern England. In depth semi-structured interviews were conducted with 31 senior HR professionals. Template analysis was used to analyse the data. This paper argues that strategic decision making in the human resource role is limited due to the constraining influence that employment regulation has on workplace practices. The relationship between operational practices and strategy needs to be fully integrated if the human resource function is to provide an organisation-wide response. HR compliance and strategy are considered within the contemporary backdrop of increased employment regulation and the impact on human resource strategic decision making. The study explores how HR senior professionals position themselves within organisations and the relationship between strategy, employment regulation and professional identity.

Keywords: Human Resource Management, Professional Identity, Strategy, Leadership

Introduction

The role of HR has changed significantly over the last two decades, from an administrative to a strategic focus in order to maintain competitive advantage in response to globalisation and privatization of public owned companies (Anwar, 2016). The increased emphasis on the integration between human resource management and business strategy is one of the most important demands placed upon modern strategic HR (Hoor-Ul-Ain, 2014). Indeed, this shift to HR business role emphasises the value and need for aligning HR activities with strategic planning (Oppong, 2017). Yet, organisational business strategy is profoundly influenced by the complex context of resource decisions, decision makers norms and values, organisational culture, policies and the impact of the legal environment (Cooke and Saini, 2010).
The increasingly regulated workforce arising originally out of the 1980s Employment Acts, but further developed by common law decisions, has provided specific challenges to HR professional knowledge base, and decision making. Before the 1980s in Britain there was little individual employment legislation in part due to the bargaining power of trade union movement. Now both the individual and collective employment relationships are subject to considerable complex employment regulation that has to be introduced and then subsequently managed within organisations. The human resource function is the natural home in organisations to implement new employment legal changes through policies and practices (Wootton, 2016).

Such changes usually manifest in organisational policy changes and advice in diverse areas such as recruitment and selection, anti-discrimination policies, and work place disputes, against the ever-increasing backdrop of potential employee litigation (Harris, 2009, Wootton, 2016) and role of “no- win no- fee solicitors”. Notably, this was the case for Birmingham City Council where a class action for equal pay was won by workers. It predicted that it will cost the employer in the region of £2 million in total back pay (Churchard, 2012). The case (Birmingham City Council v Adoball and others 2011, EWCA CIV 1412) was not brought by a trade union but by a firm of solicitors on a “no- win no- fee” basis, the firm being one of the many who have become more active in representing claims of workers (Wootton, 2016) which is now not an uncommon situation in Britain.

**Literature review**

Human resource professionals in the public sector have different forms of pressure from the private sector (Bach et al. 2009), due to having the state being the employer and the originator of employment regulation. For human resource professionals the relevance is that they have to manage key stakeholder relationships such as trade unions relationships, line managers and interactions with employees’ legal representatives in a strong regulatory environment (Heery 2011a, Wootton,2016).

Importantly formalization of policies and practices, such as grievance policies, in the human resource function can be classed as a reaction to increased juridification alongside the impact of more tribunal decisions has undoubtedly increased workloads within the function (Wootton, 2016). Yet, the law constantly changes notably in 2013 the Conservative Government brought in to law “The Employment Tribunals (Constitution and Rules Procedure) Regulations 2013” which meant “Claimants who wish to bring a claim to the tribunal or appeal tribunal will have to pay a fee.” (ACAS 2013). The situation changed again as in 2017 as the “The Employment Tribunals (Constitution and Rules Procedure) Regulations 2013” was overturned by a common law case brought in part by the British trade union Unison.

The impact on the human resource function is that policies and practices have to reflect changes in legal precedent with human resource professionals having to be able to understand the repercussions and then respond accordingly (Wootton 2016:45). Successive governments’ usage of employment regulation to control workers’ rights has resulted in human resource practices having to adapt to increased juridification (Harris, 2009); through policies and procedures in-line with employment regulatory requirements. Often, the perception of organisational stakeholders such as line managers is that the human resource function and directors are there to restrict their activities not least due to the bureaucratic policies and procedures produced by the human resource function (Harris, 2009, Sheppard et al., 1992). Indeed, the devolvement of HR management to the line can further exasperate the relationship between HR and line managers.
Yet, such devolvement can build line manager responsibility and allow HR to focus on strategic issues such as helping organisations to create value and achieve competitive advantage through the maximization of employee involvement and engagement (Armstrong, 2005). Organisational agility and HRM strategy both form crucial components in evaluating and strengthening the overall capability of an organisation’s efficiency (Saha, 2017). Indeed, strategy and HR policy can have a positive effect on performance but this is dependent on the consistency of implementation aligned to the overall business strategy (Dogen et al, 2014). Participatory management, long term training policies, pro-active HR policies and generous compensation policies are more successful under a range of different strategies than dictating short term and ungenerous HR policies (ibid). Indeed, the implementation of policy is by no means straightforward when considering the importance of alignment to strategy, communicating content to stakeholders and ensuring consistent application. This is further complicated by the complex legal environment that HR professionals are required to navigate.

The degree to which HR professionals embrace the role of legal compliance officer, the further removed they become from strategic HR and true business partnering. As operational matters require urgent attention, short term priorities become the main focus for decision making. The positioning of the professional self is constructed through the ongoing process of relationships and this meaning is socially instituted and maintained through discourses (Butler, 2007). Indeed, over time people adapt aspects of their self to accommodate the demands of their job role, negotiating and adapting to the new situation (Ibarra, 1999:765). The actions of participants typically become patterned, anticipated and dependable (Weick, 2009) thus it becomes more difficult to reposition the self when hampered by the norms and beliefs of individuals and collectives in organisational life. This is important as who we believe ourselves to be is controlled to a degree through organisational rules in ‘situ’. As a result when HR professionals assume the role of legal compliance officer it will be difficult to reposition oneself as a strategic partner.

Although much has been written about professional identity to date, much of this discussion has leaned towards a stage based, linear notion of progression (Priola, 2007) rather than insightful analysis of professional identity constructions in situ (Nicolini, 2012). Furthermore Wootton, (2016:39) asserts that, managing and understanding the issues relating to employment regulation has allowed the human resource function to create an organisational niche for itself by seizing the “opportunity presented by law to carve out positions within the business based on interpreting the law and ensuring compliance” (Heery 2011:80b). The difference now is increased juridification, which has required human resource professionals to have specialist knowledge to deal with legal issues, so raising the profile and status of the function in organisations (Wootton, 2016), Furthermore, there is little research that specifically relates to the professional identity constructions of senior HR professionals (Kinsey, 2012).

Professional identity develops over time, with varied experiences and meaningful feedback that allows people to gain insight into their central and enduring preferences, talents and values (McMichael, 2010). It can be conceived as ‘the relatively stable and enduring constellation of attributes, beliefs, values, motives and experiences in terms of which people define themselves in a professional role’ (Schein 1978:20). Indeed, the concept of professional identity is important, as who people believe themselves to be influences what they do (Watson, 2006). This is important in that there is a strong link between professional identity and professional action and this is embedded within the relationships people hold within their organisations (Ibarra, 1999). In other words, how we are perceived and how we perceive ourselves will influence how we behave and what we do.
Career curiosity and career concern enable HR managers to explore different HR functions and prepare themselves more effectively to play a strategic role in organisations. Career adaptability is an important aspect of career competence and a strong predictor of strategic positioning (Guan et al, 2016). Over time people adapt aspects of their identity to accommodate the demands of their job role and enact valued aspects of their identity to the new situation” (Ibarra, 1999:765). Yet, Guan’s research highlights that professional identity negotiations are an integral component to success at the strategic level. These negotiations are largely made through the narratives that individuals engage in within the organisation context so that this provides the basis for understanding both shared and individual meaning, expectation and need (Weick, 2009).

Where insufficient care is taken, the sensemaking process will be less effective and this tends to be found in situations that lean towards interpreted representations that are ‘correct’ in the eyes or those ‘making sense’ (ibid). Yet, to effectively enable HR to balance its strategic goals and its transactional services HR need to build an effective partnerships with line managers. It is within these relationships that effective role positioning can be negotiated. Providing these managers with a better understanding of responsibilities in specific HR issues, i.e. absence control, team development, discipline, induction, health and safety, recruitment and performance management (Naznin and Hussain, 2016) will enable HR to focus more on employee engagement and change management and alignment of HR to the business strategy. Indeed, traditional HRM practices that are control orientated are often less successful than those that aim to empower and involve employees in decision making (Cooke and Saini, 2010).

Devolving HR management to the line is not without risk. Communicating and training line managers in HR policies is generally weak and many managers claim that they are not aware of policies in place (Anwaar, 2016). The implication is inconsistent application due to a poor level of understanding in the absence of communication and/or training (Stanton et al, 2010). A failure to understand cause and effect may result in a failure to recognize which behaviours to reward, leading to a lack of commitment, inconsistency and understanding. Indeed, the reality is that employment policy and regulation are tools to be utilized and the way that this is managed or mismanaged is down to the interaction between stakeholders and individuals; expertise (Dickens, 2012). Clearly, line managers require robust training and support to implement policy consistently and effectively (Cooke and Saini, 2010).

The regulatory environment coupled with the emphasis on human resource functions to focus on transformational strategic issues and the increasing devolvement of HR management to the line provide challenges to HR professionals in managing best fit between regulation and organizational practice. The onus is now on human resources (representing the employer) to ensure that compliance with the employment legal framework is adhered to throughout organisations in order to help prevent employee litigation (Dickens, 2012) whilst also balancing strategic goals. Indeed, HR activities (legal and otherwise) considered in isolation mean little to the strategic direction of the HR department (Oppong, 2017). Consequently, the responsibility lies with human resource departments to cover the back of the employer against legal claims; this in turn has led to more formalized stakeholder relationships in order to prevent financial repercussions to the employer and these are rooted in compliance led practice.

Research aims and objectives

This paper explores how senior HR professionals translate regulation into policy and practice and the extent to which they manage transformational HR in association with devolvement of HR management to the line. Indeed, the application of HR in context is “critically dependent on
the mediating role of managerial and professional groups within and across organisations who interpret the law and formulate standards of compliance.” Heery (2011:80).

The complexity and growth of employment regulation has had a positive and negative influence on the human resource function and profession (Dobbin and Sutton, 1998:470). Firstly, by being managers of the policies and procedures relating to employment regulation, human resource professionals fulfill a professional gatekeeper role, or an important first line of defence, to incoming employment regulatory demands. Secondly this has created negative repercussions in that employees can view human resource professionals as being rule book enforcers, not strategic decision makers (Wootton, 2016).

Further exploration of professional positioning is required to get a sense of how these professionals negotiate role possibilities in the relationship between strategic decision making and the legal environment. Career curiosity and concern (Maddox-Daines, 2015) will be examined in supporting HR professionals to navigate regulation into organisational policy, practice and leadership in organisational contexts and the implications of compliance related decisions on business strategy will be considered.

**Aims**

The paper seeks to identify the theory and practice implications relating to how managing employment regulation at an organisational level has influenced HR strategic decision making.

**Research questions**

(1) how does employment regulation influence HR professional strategic decision make?

(2) what is the relationship between senior HR professional identity and the regulatory environment?

(3) what are the practice implications for senior HR professionals when making strategic decisions against a background of increased employment regulation?

The epistemological position taken in this research project is interpretivism. There are many different types of interpretivism but “common to all of these is a concern with subjective and shared meanings” (Eriksson and Kovalainen, 2008:19) and language. The emphasis in interpretivism is on understanding people’s attitudes rather than viewing them as objects. The rationale for the interpretive nature of this study is that the researchers and the social world impact on each other, there is not a distant relationship between the research and the researchers. This constructionist approach emphasises and values social interaction with stakeholders.

The research approach taken for this study is qualitative. Denzin and Lincoln (2005: 3) observe that “qualitative research involves an interpretive, naturalistic approach to the world. This means that qualitative researchers study things in their natural settings, attempting to make sense of, or interpret, phenomena in terms of the meanings people bring to them.” The justification for taking a qualitative approach to designing, collecting and analysing data in this research was the need to collect data that is both rich (Robson, 2002) and meaningful rather than collecting standardized data through quantitative approaches (Saunders et al, 2009).

The study employs an inductive framework, thus supporting the collection and interpretation of the data collected. This type of research is commonly used in research involving case studies (Saunders et al, 2009). Yet, Bryman and Bell (2007:15) note that the distinction between
inductive and deductive research is “often better thought of as sequences rather than as hard and fast distinctions”. The research framework is outlined in more detail below.

Method

This research takes a multi case research approach across three public sector organisations; a primary Care Trust (PCT), a university and a local education authority in southern England. The case study organisations in this research granted access on the basis of confidentiality agreements between the researcher and the organisations. This study required an organization context because the relevant professionals generally work within organisations, and this is where the professional has its bedrock.

Semi-structured interviews were conducted with 31 senior HR professionals (Bryman and Bell, 2007). Template analysis was used to analyse the data (Waring and Wainright, 2008) allowing a certain degree of fluidity in the establishment of ordered relationships between the themes.

This project interviewed participants from three public sector organisations which allowed an opportunity for comparison. Yin (2004) points out that one of the advantages of using case studies is that if there are some issues with one case study (such as insufficient data for some of the research questions) there are the other cases to provide meaningful data. Using more than one case study enables the researcher to compare responses, thus giving a more in-depth and valid understanding of the subject matter.

In this paper the decision was made to try to obtain as much access to interviewees in medium to large public sector organisations as possible. Once access was obtained, the organisation’s representative supported access to the relevant participants. The case study organisations are protected using replacement names in health, local government and education (detailed in table 1).

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<td>The backdrop for the health case study is a Primary Care Trust (PCT) in a large urban area. The organisation is responsible for improving and maintaining the health of their local population and the PCT board is made up of executive and non-executive directors, including members from the Professional Executive Committee. The human resource management department is part of the professional directorate and is led by a director of human resource management, who has the responsibility to develop and drive the strategy within the whole of the workforce of the PCT.</td>
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<tr>
<td><strong>Education</strong></td>
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<td>A further case study is based on a university, which operates from a purpose built campus focusing on research, teaching and enterprise. The University has several internationally recognised research faculties where student numbers have grown to substantial undergraduate and postgraduate intakes of national and international students. The human resource management department, led by a human resource director who has responsibility for all strategic, operational and personnel issues, is part of the University’s professional administrative support service. In the human resource team, the director is supported by three other directors who help to manage the various divisions within the function in relation to people-related matters. There are over 150 members of the human resource team comprising managers and assistants. The human resource management department is represented in all the</td>
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University faculties. Furthermore, the human resource function is also represented, usually at office level, as a devolved service within the separate University academic and service functions.

**Local Authority**

The third case study is based on a local government organisation in southern England. The human resource management function has the following teams: Organizational Development & Training, Recruitment and Retention, Personnel Services, Business Support, and, Payroll and Pensions. Participants, including the human resource director, were interviewed from all sections except payroll and pensions. The service was not decentralized and operated from one location.

In total 31 participants were interviewed across all three case studies in this research. Their job roles included human resource directors, human resource managers, trade union officials and line managers (please see appendix 1 for a summary of interview questions).

Template analysis was used to make sense of the data gathered. This approach is recognised as a relatively new method in data analysis in business research. Waring and Wainright (2008:1) argue that it has "emerged from more structured approaches such as Grounded Theory and Interpretative Phenomenological Analysis (IPA)." The decision to use template analysis as a research method was based on its flexibility. As King (2006:268) states: "the term template analysis does not describe a single, clearly delineated method; it refers rather to varied, but a related group of techniques for thematically organising and analysing contextual data.” King (2006:268) argues that some templates are "too simple to allow any depth of interpretation, or (more often) too complex to be manageable.” The template in this research was constructed using the software program NVivo (Gibbs 2002). After the initial template had been devised a further period of modification enabled the researcher to impose more structure on the template, thus developing a clear path between theory relevant to this research and data analysis.

**Findings**

There has been much discussion (Boxall and Purcell 2008; Legge 2005; Kochan et al, 1986) regarding the importance of the human resource function aligning itself with the strategic direction of the organisation, thus raising the role of the human resource professional as a strategic actor (Bacon 2003:76-77). However, this relationship has not been fully analyzed in relation to strategy formulation. As Dibben et al. (2011:97) point out, strategic models assume "that strategy formulation is a straightforward process and that managers in fact have a degree of choice with which they credited.” Yet, the findings in this study reveal the complexities of aligning and balancing strategic and operational priorities.

**Research Q1**

How does employment regulation influence HR professional strategic decision making?

Despite acknowledging the need for a human resource strategy, participants in this study either were not aware of a plan or else found that the organisational drivers provided the required steer for HR activity.

**Vignette 1**

“We haven’t got one here (human resource strategy). We have an organisational plan … it has to be in the broadest terms due to it being a public sector organisation which is subject to Government changes”
“We need to start with what the organisation is trying to achieve” (Interviewee 19)

“Not sure there is a formal strategic human resource? It is more about understanding the culture and relationships.” (Interviewee 21)

Stakeholder relationships and organisational culture have a strong influence on shaping HR priorities but this may encourage HR as a follower rather than a shaper of plans. Indeed, the HR Director in the Local Authority estimated that customers and service heads appreciated most the transactional activity that accounts for about 60% of HR work and case work that accounts for about 30% of activity. Therefore, the 10% attributable to strategic development is either not known, not understood or not appreciated.

In the absence of a formal HR strategy to drive the organisational plan the legal framework often intervened to provide the required steer for HR activity.

Vignette 2

“Organisational, leadership capacity and skills are strongly impacted by the legal framework” (Interviewee 4)

“Pay and reward is affected by legal considerations that in turn affect strategic decisions” (Interviewee 1)

“Legislation has such a large impact on the recruitment process or parts of legislation it’s important to be updated and keep updated in order to make sure we are running the best service possible” (Interviewee 3)

Strategy tended to be formed ‘in action’ and retrospectively rather than in a systematic and planned response in relation to the organisational objectives. This is in part due to the nature of the sector and the short-termism present in decision making aligned to the political agenda.

Vignette 3

“I think there is a steer that the legislation does guide our strategic Moves” (Interviewee 1)

“At times certain things would not be happening unless it was legally Directed” (Interviewee 20)

“Strategically I would have to say you would need to consider employment law and I think human resource needs to be part of strategic planning and the business plan” (Interviewee 21)

Research Q2

What is the relationship between senior HR professional identity and the regulatory environment?

The degree to which the professional identity of the HR professional is influenced by the regulatory environment was found to be strong in this research. HR activity is generally assessed by internal measurables and these may influence the work undertaken. What is valued by the organisation may drive the prioritisation of HR work.

Vignette 4
“I think also we can’t forget the transactional processes, as you are so judged on how effectively you can turn a contract round” (Interviewee 19)

“because we are public sector it’s important we comply … we are role models if we get it wrong then everybody knows about it and the papers love it if we get it wrong” (Interviewee 3)

“But you do become embroiled in following the various policies, following the various procedures, dealing with the calls from the union who are involved in terms of the legalistic queries and there is a danger that you lose sight of what is the real issue” (Interviewee 14)

Clearly, the reputation of an organisation is key and will ultimately impact on both internal and external measurables. As a result policy adherence and process governs prioritisation of HR tasks. Operational tasks rise in importance due to stakeholder influence and time orientated pressures. Stakeholder perception of what the HR function does/should do will impact on the work it does and the importance attributable to various tasks and roles.

Vignette 5

“I think it is a really big role - every day you are referring to some sort of law and in every case you have got you are thinking, in the back of your head... if this goes to an employment tribunal, how do we need to make sure we have covered our own backs as it were, to make sure there isn’t a case to answer to an employment tribunal, so every situation we are in... It’s like a defence system, how do we defend ourselves against action really, so how we cover our own backs, protect ourselves” (Interviewee 24)

“’You have to be good at the procedural side (etc). Generally whatever your view is on human resource there will always be operational human resource, that is the strength of the service and employment law is what it is about” (Interviewee 26)

The threat of things going wrong and ending up in an employment tribunal impacts on the way HR manage their role. For interviewees in this research the procedural element of the function is key and the advice regarding how to follow process is a substantial part of the role. The HR teams appeared to spend much time in managing calls regarding service delivery, supporting managers in understanding and following policy and intervening when things went wrong. Little time appeared to be spent on developing managers in policy compliance and following process, training managers in handling difficult conversations and standard case work.

The views across the case study organisations emphasised the increasing influence of employment regulation on decision-making, both in having to defend against potential litigation and by influencing stakeholder communication. This was particularly felt by those that had worked in the profession for some years, developing in their role from administrative support officer to specialist legal advisor.

Vignette 6

“People will come to us for legal advice on employment matters yes we are that legal hub” (Interviewee 4)

“Law’s creating problems and conflicts in the workplace. Encourages petty behaviour, and our job role is to sort it out. Sometimes moves cases to the end result and too quick to litigate” (Interviewee 20)

“They see us as legal advisors; they tell me they love me. Common sense what we say not rocket science it has an impact in terms of reassuring giving the confidence in what they do. Human resource as catalysis
we set the legal framework, we would explain the legal context, then give them reasonable employer response” (Interviewee 1)

“We have to give legal views and expertise at all levels and people [line managers and employees] recognize that whether they like it or not” (Interviewee 26)

Becoming the legal hub, sorting out problems and conflicts, explaining the ‘rules’ to line managers and offering advice across the hierarchy are key role descriptors identified by interviewees in this research. These activities tend to be reactive in line with the short term needs of stakeholders. Responding to ad-hoc needs and requests prevents a planned and systematic approach to HR work. Participants in the health organisation emphasised a reactive approach to employee disputes and their desire to avoid tribunal appearances, giving the impression that legal activities are a significant influence on the human resource management’s day-to-day operational work. This case study revealed considerable pressure from employees asserting their employment rights, more so than in the other two cases studies.

Research Q3

What are the practice implications for senior HR professionals when making strategic decisions against a background of increased employment regulation?

Human resource professionals in this research see employment regulation as part of their professional skill set and this influence impacts on stakeholders relationships and the way in which HR is perceived within the organisation. Indeed, research participants from across the case studies indicated that employment legal advice forms an integral part of their relationships with line managers, especially in the areas of anti-discrimination policies and practices.

Vignette 7

“You often get comments like well I suppose we ought to run this by you, or you are probably going to say no, but they think human resource role is blocking what they want to do. I think the relationship is getting better with managers, I think at first they just thought human resource was something to get in the way but I think more and more people are starting to come to us and they do on the whole accept what we say, and they are starting to learn and understand that the law does impact”

(Interviewee 22)

“Not that they necessarily understand the law around discrimination, when it comes to harassment casework, and I am not sure that they understand about constructive dismissal” (Interviewee 21)

“Yes, because it makes you indispensable. They need to come to us because they can’t do it. The managers can’t deal with the situations without our help”

(Interviewee 11)

Research participants emphasised their ‘expert status’ as employment legal advisors. They felt that managers are increasingly dependent on them either because they find employment regulation too complex, or because they do not have the time to keep up-to-date with the relevant employment legal requirements in areas such as discipline and recruitment. The Director of HR in the higher education institution considered that human resource professionals are legal advisors and ultimately problem solvers for managers.
Vignette 8

“Dealing with legal requirements has had a big impact on my role as head of human resource management overseeing the operational human resource team, with personal involvement in the complex or very sensitive areas impacted by regulation and the impact of tribunals” (Interviewee 26)

“Line managers expect human resource to be advisers and navigate them through issues and advise professionally where the needs of the business can be assisted within the confines of employment law” (Interviewee 20)

“The perception of human resource professionals, it has to change, and this will be done in how we manage line managers and our own personal relationships. They have to know that they are getting expert advice” (Interviewee 22)

“It is easy in an operational role to lose sight of the business, can be insular in what you are doing - must have a wider knowledge” (Interviewee 21)

Research participants in this study discuss employee relations interchangeably with other HR practice, rather than identifying this area as a core component in the overall HR agenda. The demands of employment regulation were frequently mentioned by participants from all the case studies although there was a disjointed understanding by research participants as to what constitutes human resource legal compliance. Furthermore, human resource professionals in this research make little distinction in terms of employment regulation between what Boxall and Purcell (2008: 74) define as the “micro and macro” best practice models. This research found that there is an absence in the debate between human resource “best practice” and “legal good practice guidance” and how these were understood in terms of human resource strategic “best practice”

The time and resources dedicated to support employee relations impacts on the extent to which HR professionals are able to focus on strategic work. This research found that employment regulation restricts the ability of human resource professionals to impact the organisation through human resource strategic decision making ability (Legge, 2005:160). Indeed, the human resource directors from the health and local government case studies agreed that their strategic decisions (choice) were impacted due to the potential repercussions of not giving the right legal advice, or the impact of employment tribunal cases.

Conclusion

The case study organisations in this study reveal a fundamental shift in the work of HR practitioners: from generalist HR advisor to employment law specialist. This was consistent across all three case studies. This shift has implications for the HR professional as a strategic practitioner whilst simultaneously impacting on the professional identity constructions of senior HR staff. These factors combine to influence heavily on the practice based decisions that HR professionals make when navigating an environment steeped in employment regulation.

Research Q1

How does employment regulation influence HR professional strategic decision making?

In this research it is noted that there is a discrepancy between legal management practice, stemming from case law (legal practice guidance) and work associated with strategic human resource management. Moreover, human resource professionals frequently link good legal practice originating from legal judgments with best practice approaches.
Even though many of the participants talked about the role of strategy in relation to how human resources had increased value and status, they could not identify what they were doing in practice that was directly strategic. There appeared to be a lack of awareness of the extent to which regulatory pressure was influencing the future development of the human resource function (Cooke and Saini, 2010).

Strategic decision making is a problematic area in employee relations as there are many unknowns and external influences that are out of the control of the human resource function, yet a key strength of the function lies in sound operational practices. The relationship between operational practices and strategy needs to be fully integrated if the human resource function is to provide an organisation-wide response through practices in order to comply with increased future employment regulation whilst simultaneously supporting the organisational strategic objectives (Saha, 2017). Yet, in this research the HR strategy was not always clear, nor pragmatically understood impacting on the efficiency of the organisation. Indeed, the HR time spent reacting and complying with the legal framework had a direct influence on their ability to drive forward good practice in resourcing and managing talent.

The role of the legal context, directly or indirectly, is not specifically factored into strategic decision making which does not take into account the effect of employment disputes on strategic decision making (Bacon 2003:81). Research participants discussions regarding the relationship between strategy and employee relations did not overtly address the indirect effect that employment regulation has in constraining the strategic ability of the human resource function in making decisions.

An underdeveloped understanding of how strategic decision making is altered by disputes in the employment relationship was uncovered in this study, particularly as participants in all three case studies noted the direct effects of employment tribunals on day to day activities (Dibben et al. 2011). In particular, participants pointed out issues relating to resourcing implications, such as the time human resource professionals spent on updating knowledge, in negotiating with trade union representatives, and in giving advice to other stakeholders. They gave examples of how they were trying to prevent something going wrong rather than proactively trying to change employee working conditions through positive compliance. As Wootton, (2016:194) found “regulation enhances human resource practices by acknowledging the role legal implications have on the strategic objectives of the function”, with resourcing both time and training having higher legal resourcing implications.

The human resource function has the potential to be strategic but this research finds that this point has not yet been fully realised largely due to HR’s focus on legal positioning in the public sector (Harris, 2009). The strategic ability of HR to successfully operate beyond the requirements of the regulatory environment in the bigger organisational picture is largely constrained by the limits placed upon HR professionals by themselves through the work that they prioritise and the role identity they negotiate (Watson, 2006). But this process results in both exclusionary and inclusionary practice, whereby HR are keen to raise their profile through their expert status in employment law but simultaneously this excludes them from the strategic focus (Maddox-Daines, 2015).

**In other words, there needs to be greater consideration given to how employment regulation interacts with “humans resource strategic agility” (Guest, 1987a) and the broader legal framework, in order to influence strategic decision making.** In particular the role of “anti-discrimination legislation, the contract of employment and tribunal procedures impact on how flexible the human resource function can be in delivering a strategic agenda” (Wootton, 2016:231).
Research Q2

What is the relationship between senior HR professional identity and the regulatory environment?

There was recognition by many of the research participants across all the case studies in this study that employment regulation has not only changed their working environment but has also changed human resource management’s professional and organisational roles, due to a “no-choice” reality of implementing employment regulation in organisations. The feeling of being maneuvered into a particular position suggests a surrendering of identity towards the needs of the role ‘in situ’ (Nicolini, 2012). A perception of less power in strategic discussions led to personal positioning and control. The desire for affiliation through expert status rather than a strategic voice resulted in role negotiations to elicit new connections (Maddox-Daines, 2015).

Providing expert advice to avoid discrimination claims is just one example discussed by participants in this study. This research found at the root of this omission the lack of distinction between expert advice and legal practice (skills) - professional jurisdiction boundaries do not differentiate between expertise and practical skills in order to be classed as a professional.

The quality of interpersonal relationships that human resource professionals develop with line managers is recognised as important for the consistent application of policy and adherence to the legal framework. Yet, behind this reasoning there appears to be some motivation and desire towards the re-negotiation of the HR generalist role to one which requires employment regulation expertise and a role which commands greater importance, respect and prestige within the organisation (Anwaar, 2016). This is in stark contrast to earlier debates relating to the degree of HR work that should be devolved to the line (Watson, 2006).

This research found that human resource professionals are pragmatic interpreters of law; in other words, their strength and status is based around policies and procedures. This is particularly notable regarding specialist knowledge when interpreting common law in relation to tribunal cases (Wootton, 2016). Illustrating that, HR is carving out a new role within the case study organisations in this study, enhancing its status and positioning and this professional identity evolution is socially constructed through stakeholder dialogue (Butler, 2007). This requires different skills of ‘career competence’ which impacts further on strategic positioning (Guan et al, 2016).

Line managers increasingly require HR support and HR are working hard to ensure that they are seen as credible. There is a desire for “status and respect” and some attempt to exert power and control over stakeholders within the organisation so that line managers feel obliged to “check in” with HR prior to making people management decisions. Yet, this aspiration simultaneously reinforces perceived identity as individuals come to specify themselves through monolithic discussion of what constitutes identity within the revised parameters set (Maddox-Daines, 2015). The reality is that human resource professionals are an important front-line defence, working in partnership with line managers against potential litigation, but their role is dependent on how their expertise is recognised and used by line managers. This research concurs with Dibben et al. (2011:231) in that more formal policies and practices stemming from a legal framework have increased the status of human resource professionals in organisations. This is because the requirement for legal compliance has meant that individual line managers needed human resource help more as the latter had greater expert knowledge regarding law.

Yet, this does not appear to be just a reactive response to the strategic demands of the organisation and the needs of line managers, instead an increasing number of HR professionals have purposely started to rebrand themselves as a service offering legal support. Repositioning
takes time and the degree to which the HR function’s impact is measured will influence the repositioning that takes place (Weick, 2009). This position appears to conflict with the fact that there appears to be an increasing expectation by organisations that line managers will take on an increasing level of legal responsibilities (Armstrong, 2005).

It was apparent in this research that human resource professionals had some reluctance to devolve responsibility to line managers, not just because there was concern over competency, but also because there appeared to be a form of bureaucratic protectionism, with the human resource function attempting to maintain its status. This approach will not diminish the workload of the department and may subsequently reduce the confidence and desire of line managers to effectively manage less complex case work. There appears to be a ‘form of social code’ (Andrews et al, 2008:7) that shapes the professional identity not just of individuals working in HR but the whole HR function within organisations (Maddox-Daines, 2015).

Additionally, the extent to which HR professionals position themselves as legal advisors and compliance officers within their organisation may constrain their ability to act as strategic HR partners. The success of the evolving identity depends on the ability of the of the individual to continue and embed a consistent storyline (Loxley, 2007). The operational nature of compliance impacts on the time available for mapping and evolving HR policy and practice with strategic organisational objectives and intent. Although knowledge of the legal framework is an integral part of the HR role, being perceived as the expert in employment legal knowledge may impact on the degree to which the organisation embraces HR as a true strategic partner as operational day to day matters take precedence (Weick, 2009). In considering the relationship between strategic HR and legal compliance, participants reported a mixed response on the influence of each.

Research Q3

What are the practice implications for senior HR professionals when making strategic decisions against a background of increased employment regulation?

Case study organisations in this study used standard benchmarks that were produced as monthly or quarterly reports to measure HR performance. Performance indicators included absence figures and tribunal appearances, all of which were made available to the wider organisation. These performance indicators are used to judge the success of the function along with how line managers are complying with policies and procedures in areas such as sickness absence. All case study organisations found that measurements of success were indeed hard to measure particularly because performance indicators do not measure the exact time and methods spent on individual case work. Performance indicators influenced HR work priorities thus encouraging an operational and reactive focus rather than strategic positioning to support organisational objectives and development.

The absence of an HR strategic plan and internal organisational performance measurables encouraged an operational focus of HR professionals in this study. Strategic work appeared to be limited to the remit of directors. The director of HR in the health organisation identified a natural progression from operational to strategic decision-making in career development but was unable to clarify when operational decision making becomes strategic. The director also noted that the operational work undertaken by the HR department did not support HR professionals’ strategic understanding of the organisation. HR professionals received feedback and recognition for their legal expertise thus encouraging further investment in this activity to secure belonging (McClure and Brown, 2008). The way in which HR work is structured impacts on the extent to which HR professionals are able to engage with strategic HR decisions. In the health organisation the operational function (i.e. employee relations) is split from the strategic
work of the human resource function (namely workforce development). The HR director in the local government organisation similarly acknowledged that employee disputes came under the operational focus and strategic work, consisting of future workforce planning was structured separately. This work structuring appears to support boundaries and exclusions (Maddox-Daines, 2015) and ultimately denies those specialising in legal work to position themselves strategically.

The director of HR in the education organisation considered that HR strategy is strongly influenced by the organisational environment and what the organisation is aiming to achieve. Although there was a pressure to be legally correct, employment law compliance did not provide the focus or starting point for strategic HR planning. In this organisation strategic and operational HR activity was not separated so that sensemaking occurs with others in mind (Watson, 2006), providing the basis for development and understanding in strategic decision making. Senior HR professionals under director level tended to consider the legal employment framework as the dominant factor influencing HR strategy.

The separation of operational and strategic HR activity does not prepare HR professionals for career development, neither does it support the integration of organisational goals into operational practice. Strategic decision making is a problematic area in employee relations as there are too many unknowns and external influences that are out of the control of the human resource function, yet the strength of the function lies in sound operational practices and not hankering after strategic recognition unless it links directly to operational practice. The relationship between operational practices and strategy needs to be fully integrated if the human resource function is to provide an organisation-wide response through practices in order to comply with increased future employment regulation (Wootton, 2016).

Yet, there appears some appetite for ensuring “strategic flexibility” in order to support possible workforce reductions. Although formal HR strategic plans were not in place there appeared to be clear evidence of “a sense of direction” at the very senior level. The rationale for not formalising the plan was to ensure that any government changes or u turns could be managed in a short space of time. Keeping a plan in the broadest sense ensured the highest degree of flexibility to make changes in a short space of time. Yet, this stance may indirectly increase vulnerability as HR professionals seek out a position to secure their tenure in an uncertain environment (Maddox-Daines, 2015).

This research found that there are differences in how human resource professionals who work at a level below the human resource director interpret strategic decision making. Whilst they understand the importance of good day to day operational practices as essential for performing their role, they were less able to define this work in relation to organisational strategic objectives. Even though many of the participants talked about the role of strategy in relation to how human resources add value, they could not identify what they were doing in practice that was directly strategic. In particular, participants pointed out issues relating to resourcing implications, such as the time human resource professionals spent on updating knowledge, in negotiating with trade union representatives, and in giving advice to other stakeholders yet they did not see such work as strategic. Yet our research found that employment regulation had an impact on human resource strategic decision making as employment regulation (Dickens, 2010) not only imposes budgetary constraints, but also affects management style and the freedom to manage employees. This is significant because if employment regulation is prioritised over strategic direction this will impact on the vision and goals of the organisation. Participants emphasised the time consuming and exhausting nature of contractual work which prevents them from getting involved in anything more proactive. Employee relations issues consume all other HR activity; legal enforcement prevents HR development and limited
resources impact on project work such as developing talent pipelines through online recruitment systems. This in turn, may impact on the added value offered by the HR team and at the extreme, encourage withdrawal and protective stances (Bullough, 2005) which limit the skills development of this group, impact on the strategic development of the organisation and contribution to attrition levels. There appears to be an enduring gap between the rhetoric and reality of strategic HR in the case study organisations largely due to the extent to which HR professionals are tied up with legal compliance issues.

HR transactional activity was found to be particularly valued by stakeholders in this study. HR priorities were influenced and defined by the needs of stakeholders coupled with organisational performance indicators. These measurables provide a sense of what is considered important to the organisation and tends to encourage a reactionary pressure to focus on short term targets.

The lack of involvement and as a consequence, understanding, of strategic HR limits the possibilities for career advancement in HR. With a lack of exposure and opportunity to get involved in HR strategic work, HR professionals are unprepared for directorships and senior HR roles. Yet, the HR professionals in this study appear to be carving out a new identity, away from the generalist HR advisor to one which requires more specialist skill, as employment law advisor. This role rebranding attracts greater respect and prestige ensuring a central part in all people management work. There appears at times some reluctance to devolve case work to line managers and some renegotiation of the powerbase and control within these relationships. As a consequence, contractual and case work in HR departments is increasing, resulting in even less time for strategic HR work.

Furthermore, the research accepts that the human resource environment has changed in response to the role employment regulation plays in formulating “internal rules”, but it is also about how law has changed the identity of human resource practitioners. Subsequently, human resource management as a profession has become more strongly embedded in public sector organisations because of the increased need for legal compliance. This is because the level of expertise required to comply with regulation has strengthened their identity and facilitated the development of their knowledge base.

This paper will assist practitioners and learners in understanding the relationship between employment regulation and decision making by taking a contemporary approach in reviewing how strategic human resource management (SHRM) works in practice. The research highlights the practical challenges experienced by senior HR professionals in balancing the strategic needs of the business with the ongoing high volume operational workload. It explores the changing and sometimes conflicting priorities of operational and strategic HR. Practitioners might benefit from the insights offered into how challenges can be overcome and how senior HR professionals prepare themselves for the everchanging requirements of their role.

In addition, organisations may consider how they can prepare their HR staff for internal promotions by increasing the opportunity for exposure to strategic HR work. If HR teams are limited to contractual operational work the organisation is at risk of being ill-prepared for ensuring a pipeline of talent and good practice in people management in a competitive environment.

The role of the human resource professional in terms of operational practices is very important. Further research might explore HR departments in the private sector and compare the experiences to the three case study organisations in this study. The rebranding of the HR role to “legal specialist” might be further explored with a particular emphasis on the rationale for this and the desire for undertaking role negotiation. Power, respect and prestige in the HR profession might be considered, existing and future.
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Causes of Corruption in Nigeria: Implication for National Development

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Abstract

The purpose of this paper was to examine the causes of corruption in Nigeria as well as suggesting the Wayforward. This paper examines the root causes of corruption in Nigeria with a view to proffer solution to the menace. This study is a conceptual in approach, as such the paper utilizes secondary source of data collection and reflective method of data analysis was also utilized. Analytical findings shows that moral backwardness and greediness, were identified as some of the causes of corruption in Nigeria. This paper, therefore, suggest that to eradicate corruption the following measures must be taken, rebuilding the moral base of Nigerians, where the culture of integrity, honesty, sincerity, hard work, love for others and dedication will be encouraged.

Keywords: Corruption, Causes, Development

1. Introduction

The cause of corruption is contextual, because corruption is dynamic and varies from one region to another (Morris, 2008; Nwankwo, 2013). The term corruption is yet to have a universally accepted definition operationally or conceptually. The complexity of corruption as a concept is responsible for the difficulty in coming out with a universal cause of corruption around the globe. When corruption is viewed from religious perspective, it is seen as a deviation from the divine injunction, which can then be traced to the beginning of human creation.

But, when corruption is viewed from the modern concept of it, then the cause of corruption can be traced to situation such as economic, insecurity, high rate of income, meagre salary, the system of democracy (VI, 2010; Forson, 2016). The issues of causes of corruption, effect, and remedies are issues that attracted national and international policy makers attention over the past decades. This is because corruption has been singled out as the main obstacle that impair low income countries such as Nigeria from attaining a reasonable level of development, despite the abundant of natural and human resource that the country is blessed with. Although,
corruption is over emphasized as the main problem of the developing countries, yet corruption is everywhere, and its encourage by developed nation through their multi-national corporation especially when it relates to natural resources and military weapons (Joda, 2010; De la 2015).

Corruption essentially, flourish where the institutions of government are very weak, and in society where there is high value attached to money and power. The consequence of this, will be wide disparity in wealth distribution, and this will lead to social problems such as arm robbery, kidnapping, terrorism, stealing, and high rate of poverty (Ijewereme, 2015).

Based on this backdrop, this paper examines the causes of corruption in Nigeria with the view of offering solution to eradicate the phenomenon. The paper uses secondary source of data for the study and analytical method was utilized as the tool for data analysis.

2. Objective/Problem Statement

The objective of this study was to examine the causes of corruption in Nigeria focusing on Moral backwardness, greediness, get rich quick syndrome, absence of private detective agency, delay in prosecution, duplication of anti-corruption agency, poverty, foreign collaboration, and absence of credible media. Corruption has become a pandemic in Nigeria spreading like a hurricane, affecting all aspect of social and economic development negatively where more than 90 million people are living below poverty line despite the natural resources which the countries is blessed with. The causes of corruption have to be identified in order to proffer solution to the problem which is the bane of Nigeria’s underdevelopment.

3. Literature review

The term corruption was derived from the Latin word “corruptus” meaning to destroy. The word is used in this sense to indicates the destructive nature of corruption which affect every fabric of society where it is perpetrated (Nicholls, 2006). Corruption is a complex phenomenon and various factors and forces have conspired to cause it and spread it everywhere (T I, 2011). Studies from development studies perspective has attributed the failure of certain low-income countries to develop to corruption, and there are recent empirical studies which substantiate the link between corruption and lower investment, and growth in some developing countries (Mauro 1995; World Bank 1997). Despite the volumes of studies on corruption, yet, there is scanty empirical study that establish the main causes of corruption due to contextual differences, however, from the little studies that examine the causes of corruption, moral decadence is single out to be one of the main causes of corruption (Iroanusi, 2006).

Other studies on corruption such as Farrales (2005), and Wasow (2011) indicated that, greed and the desire for power as well as the wish to advance oneself in society are primary reasons for corruption. Similarly, corruption usually prosper in societies that places high value on money, power and status in life (Akpa, 2018). As asserted by Joda (2011), apart from greediness, the fall in education standard, poor maintenance culture, indiscipline, lack of patriotism, unhealthy competition for power and resources among politician, long military rule, civil upheaval, poor sectoral linkages, dishonesty, mis-presentation were some of the causes of corruption in Nigeria. Relatedly, Idris (2016) traced the causes of corruption to moral decadence, the decay in moral base of most Nigerians is obviously an underpinning factor for the growth and spread of corruption in Nigeria. In the same vein, Iroan (2006) submit that, the absent of moral behavior among leaders and the followers, prone people to compromises and once you compromise your values for greedy gain, the consequences transcend beyond taking bribe, and stealing, it goes to truncating the society’s growth and development. From the perspective of systemic corruption, Stanley (2010), attributes the causes of corruption to
discretionary power given to politician and bureaucrat which provide them with discretion over creation and interpretation of regulation which they manipulate for their personal gain.

4. Methodology
This study is a conceptual in approach wherein the data for study was collected using the secondary sources which include books, journals, newspapers, magazines and government publications, the study also uses reflective analysis as the means of analyzing the data gathered. Conceptual method has been for the very beginning of research been used to development new understanding about a phenomenon or interpret an existing phenomenon in a different way.

5. Analysis and Discussion
Under this section, the factors that causes corruption are analyzed and discussed which centers around moral backwardness, greediness, and get rich syndrome.

5.1. Moral backwardness
Morality can be seen as a set of standards which every individual is expected to strictly adhere to and any contradiction to the set standard attract punishment from the society (Joda, 2010). Over the last decades, Nigeria as a society has witnessed a perennial moral setback not only among the youth, but even among the older people in the society. The decline in moral standard of most people in Nigeria is obviously the underpinning cause of corruption in Nigeria. When there is moral decadence in a society, people become susceptible to all forms of wrong doing especially corruption (Joda, 2010). The moral base of most Nigerians today has been corrupted to the extent that, people doesn’t see stealing government money as bad, rather they see it as an opportunity to have one own share from the national cake.

5.2 Greediness
Greediness is the intensity of selfish desire for wealth, power, and prestige, it is excessive interest in acquiring money or material things by individuals in the society. The excessive temptation in acquiring money or material things, especially by political leaders and bureaucrat in Nigeria was responsible for proliferation of corruption in Nigeria (Joda, 2010). This material obsession was once described by Waziri former EFCC chairperson as psyche disorder where an individual will steal money which is much more than his requirement for generation to come. EFCC has alleged that, about 20 trillion US dollar was stolen from Nigerian treasury from 1960 to 2005 by those who had access to the treasury. Furthermore, the Anti-Graft commission indicated that from the year 2000, about 100 billion dollars was stolen suggesting that the external debt of 33 billion dollar as of then will require only a fraction of the fund stolen by the leadership (Waziri, 2010).

5.3 Get rich quick syndrome
The word get rich quick syndrome has been used since 1900 to describe shady investment deals which involve high rate of returns for the investor. But, within the Nigerian context, get rich quick syndrome is a situation whereby people especially the youth, are no more interested in making money through the right and legal way, rather they tend to engage into some illegal acts such as armed robbery, political thuggery, kidnapping, Yahoo and Yahoo plus, and money ritual (Agbo, 2019, March 3). Average Nigerian youth are obsessed with getting rich quick, due to their perception that those entrusted with authority siphon the national treasury for their personal gain, as they misappropriate fund that is meant for the overall development of the country. Since every Nigerian youth dream to drive a jeep, wish to have a fantastic house, and own property worth of millions at home and abroad so they resort to illegal means of achieving their goal (Ribadu, 2012).
5.4 Absence of private detective agency

An independent detective agency engages in a variety of activities such as investigating corrupt practices, tracing the origin and destination of illegal money, and other functions performed by independent detectives include detecting drug trafficking, crime, terrorism, sexual harassment, detecting violation of intellectual property and infringement of copyright (Akpa, 2018). Similarly, some independent detectives act as witnesses where they give account of something they observed while they posed as undercover. In some parts of the world, for example in USA the case of former president Clinton involving sexual relation with Monica Lewinsky was investigated by an independent investigator. This type of independent detective agencies are legally license to conduct investigative activities on behalf of the government, or on behalf of an individuals or organization (Ogbeidi, 2012).

5.5 Delay in prosecution

One of the effective ways of controlling corruption is the establishment of an independent and effective judiciary. If the judiciary is not independent or is under the control of the executive, the judicial system will lose public confidence as the judicial system will be compromise at the detriment of the ordinary citizen as what is apparent in Nigeria today, where judges are intimidated to pass arbitrary judgement. Similarly, the judicial system lacks the capacity to complete a court process within a reasonable time frame, and in some instances, the punishment for an offense is not commensurate with the magnitude of the offense, for instance, Bode Judge was convicted of corruption offenses of 86 billion naira, but was sentenced to two-year imprisonment without even forfeiting the money (EFCC, 2016).

5.6 Duplication of anti-corruption agency

Essentially, Nigeria has a plethora of laws that has been passed to eradicate or curtail corruption in the country. Most emphatically, the mere enactment of laws is not sufficient to stop corruption from being committed without enforcing the laws. For example, Akpa (2018) enumerated those laws and institutions that were created to eradicate corruption in Nigeria which include:

- The Advance Fee fraud and Other Related Offences Act 1995
- The Corrupt Practices and Other related Offices Act ICPC 2000
- The Money Laundering Amendment Act 2003
- The Money Laundering Prohibition Act 2004
- The Code of Conduct Bureau
- Due Process and Financial Intelligence Unit of the Budget Office
- Supervisory department of the Central Bank of Nigeria
- National Deposit Insurance Corporation
- Fiscal Responsibility Act 2007

From the above enumeration it is seen that, Nigeria has a good number of anti-corruption laws on the book that essential can eradicate corruption but, the reality is that, despite all these laws and institution, corruption is in the increase stagnating every aspect of Nigerian development progress. The continue blossoming of corruption cannot be attributed to lack of laws or
institutions, but lack of integrity, sincerity, honesty, patriotism, fear of God, and the lack of courage on the side of the government and its anti-graft agencies in eradicating corruption (Ribadu, 2010).

5.7 Fear of poverty

World Bank (2017) describes poverty as being in hunger, lack of shelter, being sick without the means to pay for seeing a doctor, poverty is lack of job, poverty is living one day at a time. In addition to lack of basic necessities of living, poverty is lack of capacity to participate in social functioning. The fear of all these, are some of the reasons people steal money from the government treasury or from any organization they are entrusted with fund. Poverty has eaten deep into Nigerian population where recent statistics indicated that over 90 million people are living below the poverty line which means that, those people are surviving on less than 1.9 dollar per day.

5.8 Foreign collaboration

Foreign government through their corporation encourage corruption by accepting Nigeria and other countries stolen money and stash in their banks, while at the same time they pretend as nothing is happening (Iroan, 2006). In most countries of the western world, it is very difficult to steal huge amount of money and stash in a Bank without being track down and prosecuted accordingly. For example, the former Head of Nigeria late Sani Abacha looted the government treasury which amount to billions of dollars and kept some of the monies in European countries, whereas they were fully aware that the money was stolen, but they turn a blind eye to it. Over the past years, a fraction of stolen money by Abacha has been recovered and return to Nigeria, while a substantial amount of the money is still stashed in European Banks (Iroan, 2006).

5.9 Absence of credible media

The ongoing thrive to purge out corruption out of the Nigerian shore is a noble course that worked well for other countries like Singapore, where the media has played a significant role in informing the citizen about what the government was trying to achieve in the fight against corruption. The Nigerian media for some time has been very closed, and pro-government, as such some vital information relating to government official are not usually disclosed by the media until recently when social media start to expose corrupt government officials. Information sharing is a vital mechanism for eradicating corruption without which no positive change can be achieve in the fight against corruption. The media should be in the forefront in informing people as to what they should do, and how they should go about it, and they should also inform the people about the consequence of their action and inaction (Joda, 2010).

6. Findings

Reflective analysis shows that moral backwardness, greediness, get rich quick syndrome, absence of private detective agency, delay in prosecution, duplication of anti-corruption agency, poverty, foreign collaboration, and absence of credible media are some of the causes of corruption in Nigeria. Based on the analysis of this study, moral decadence and greediness are the two main factors that significantly influence corruption practices in Nigeria. For corruption to be eradicated in Nigeria, this paper argues that, people’s moral and greed for worldly things must be reoriented toward good moral values and self-contentment.

7. Conclusion/Implication

From the available literature as highlighted by this paper, it has been established that, the moral base of Nigerians must be restored in order to eradicated and stamp out corruption from the
society. Haven a good number of laws and institutions for fighting corruption is not enough to eradicate corruption as its evidence that despite all the laws and institutions, corruption has remained unabated in the society. One of the possible reasons for the ineffectiveness of the laws and the institution in curtailing corruption was the inability to trace the root cause of the problem, by tracing the root cause of corruption and apply the necessary measures to eradicate the root cause, then corruption will be eradicated in Nigeria. Unless the causes of corruption is rooted out in Nigerian society among which is moral decadence and greediness, the quest for Nigeria’s national development will remain an illusion.

8. Wayforward

Corruption has permeated almost every strata of public life in Nigeria, having reached a pandemic level, it is one of the causes of the underdevelopment of Nigeria. Given the nature, and scale of corruption in Nigeria, it is difficult to eliminate corrupt practices completely in the society, but it can be minimizing to some certain level. A number of strategies or mechanism for curtailing corruption have been propounded by scholars such as (Okekecha,2013; Morris,2019), however this study itemized the suggested strategies for eradicating corruption as these:

- One of the greatest preventive measure against corruption, is to rebuild the moral base of Nigerians, where the culture of integrity, honesty, sincerity, hard work, love for others and dedication will be the other of the day.
- Greediness should be discouraged in its ramification, people should be oriented to appreciate contentment, and the get rich quick syndrome should also be discourage among the Nigerian youth.
- Establishment of an independent detective agency will significantly help in reducing corruption in Nigeria.
- Commensurate punishment should company any corruption offenses, if the fight is to be effective.
- Rather than having strata of laws and anti-corruption institutions, effort need to be channel toward enforcing the existing law and empowering the institutions to do their assignment without fear and favor.
- The media should be empowered to be in the forefront in exposing corrupt practices in both the public and private sector of the economy.
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Critical Factors That Influence Employee Job Performance on Selected Banks in Nigeria

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Abstract
This study investigated the critical factors that influence employee job performance in banking sector in Nigeria. Most Nigerian Banks are performing below expectation irrespective of high funding due to lack of staff motivation and staff training. Most of staff training are exclusive right of those in the higher echelon of the bank, without due consideration given to those in lower cadre. Majority of staff in lower cadre are stagnated in one position for years without promotion and salary increment. This is common with all the banks in Nigeria. A survey was conducted in this study using questionnaire. The data collected were analyzed using percentages and multiple regression. The result showed that a positive relationship exists between the independent variables staff training, staff compensation, co-worker relationship, staff promotion and the dependent variable employee performance. All the independent variables have significant t-ratio. The results are consistent with the literature. We recommended that employees should be adequately compensated in line with labour market condition and that employees should be given opportunity to attain higher position through display of intelligence and hard work.

Keywords: Staff Training, Staff Compensation, Co-worker Relationship, Staff Promotion, Organizational Performance.

INTRODUCTION
Some of the factors that influence employee job performance are staff compensation, staff training, co-worker relationships and staff promotion (Bilau, 2011). Lack of vital training brings about poor performance (Ruchi, 2012). While lack of support from superior and co-workers also lead to poor performance (Zimmerman, 2009).

Employees do not perform where some of the factors that enhances motivation are not in place. Employees are motivated to work when they are adequately remunerated, promoted as when
due, offered opportunity for promotion, offered necessary training and assistance by the organization and their colleagues (Chukwu, 2017).

By binding pay with performance an employer can monitor and control specific activities and level of performance. Employees also need to prove their worth in order to stay longer with the organization by providing quality work or else run the risk of getting their employment terminated. Pay is a determinant of job satisfaction and employees cannot perform when there is dissatisfaction with pay (Edegbogho, 2011).

Use of other motivational tools attached to pay such as fringe benefits will also enhance employees job performance. Use of fringe benefit to reward and recognize employees effort and contribution will serve as a motivational tool to improve employees productivity and performance (Mitchel, 2007).

Absence of vital training would lead to poor performance. Training leads to highly motivated and empowered workforce and improved performance (Price, 2001). In order to sustain the work performance of employees, employees must be developed through training to enable them use their intellectual capabilities to work, which in turn leads to organizational performance. (Kira, Eijnatten & David, 2010).

Human resource management dimensions greatly influence the employees attitude that affects employee performance and development, and if human resource management systems work effectively, then increase in organizational performance will be seen (Snape & Rediman, 2009). Absence of support from superior and co-workers decrease employees ability to cope with their job and leads to poor performance (Zimmerman, 2009). Support from co-workers during task accomplishment allows employees to interact fully with their co-worker and obtain their necessary assistance that enhances performance (O’ Driscoll & Cooper, 2002). Studies have shown that when co-workers or superiors is supportive of subordinate it leads to favourable outcome for the employee and organization, such as reduced stress, turnover intention, increased commitment, productivity and enhanced performance (Bakker, Demerouti & Schaufeli, 2003; Eisenberger, Shinglahamber, Vanderberge, Sucharski & Rhoades, 2002).

Staff promotion is a vehicle for enhancing employees performance and growth (Kim, 2012). Employee organizational growth enhances performance (Weng, Mcelroy, Mirron & Liu, 2010). Employee will slack in their duty if their opportunity for advancement to higher position is frustrated (Korsakiene, Stankeviciene, Simielyte & Talackiene, 2014).

Thwala (2012) described three important factors that affect job performance which consists of ability variables (what is needed to achieve the job performance) motivation variables (what determines the performance) and opportunity variables (that is work environment, temperature, noise level, leadership and characteristics of the job). But this study is investigating the influence of ability and motivational variables. The ability variables are training and co-worker relationship, while motivational variables are staff compensation and staff promotion. The critical factors that influence employee job performance are the most important explanatory variables that are considered important determinants of employee job performance. The influences of factors that are perceived as not important are taken into account by the introduction in the model of random variables.

**Problem of the Study**

Most organizations in Nigeria including banks are performing below expectation irrespective of high funding due to lack of will to motivate their employees and give them adequate support and training to enhance their performance. Lack of vital training and co-worker relationship will lead to poor performance (Zimmerman, 2009). Most staff training are exclusive right of
those in the higher echelon of the organization without due consideration given to those in the lower cadre. Some junior cadre employees are stagnated in one position for years without promotion and salary increment. This is common with all the banks in Nigeria. Employees will not perform where they are not adequately motivated in terms of promotion and compensation (Chukwu, 2017). Employees will slack in their duty if their opportunity for advancement to higher position is impaired (Korsakiene, 2014). By binding pay with performance, an employer can monitor and control specific activities and level of performance. In order to sustain the work performance of employees, employees must be developed through training to enable them use their intellectual capabilities to work which in turn leads to organizational performance (Kira et al, 2010).

Objectives of the Study

The broad objective of the study is to determine the critical factors that influence job performance in banking industry in Nigeria. The specific objectives of the study are to:

i. examine the extent to which staff training influence employees job performance
ii. determine the extent to which staff compensation influence employees job performance
iii. ascertain the extent to which co-worker relationship influence employee job performance
iv. examine the extent to which staff promotion influence employee job performance.

Hypotheses of the Study

The following hypotheses were formulated to guide this study.

Ho1: Staff training does not positively influence job performance
Ho2: Staff compensation does not positively influence employee job performance
Ho3: Co-worker relationship does not positively influence employee job performance
Ho4: Staff promotion does not positively influence employee job performance

Significance of the Study

The study would be of great benefit to the following stakeholders.

1. Employees: The study would be of great benefit to employees to strongly appraise their motivational factor that would enhance their job performance.
2. Managers: The study would help managers of banking industry in finding possible measure/strategies to improve employee job performance.
3. Researcher and Academia: This study would be of great benefit to researchers in business administration and management related field as it would provide empirical evidence for further studies on the area of employee job performance.

Scope of the Study

The study examined the critical factors that influence employee job performance in banking industry in Nigeria. The scope of this study was delimited to staff of United Bank of Africa Plc, Union Bank plc, First Bank plc, Zenith Bank plc, Access Bank plc, Sterling Bank plc, First City Merchant Bank plc, Guaranty Trust Bank plc, Eco Bank plc in Enugu State.
Limitation of the Study

In carrying out this study, the researchers were faced with the following limitations.

1. Limited sample size: The sample size of the study was constrained due to the inability of the respondents to voluntarily participate in the survey.

2. Low response rate: The usage of research instrument was usually constrained with poor response rate and this ultimately affects the sample size. Also the reluctant of respondents to answer the questionnaire in the process of data collections, due to fear of victimization by those in authority was another limitation of the study.

3. Statistical modeling: Another challenge facing the study was statistical modeling of the factors that influence employee job performance. The modeling of the variables staff training, staff compensation, co-worker relationship and staff promotion was also tedious for the researcher. Therefore the technical nature of the study also limits the study under investigation.

LITERATURE REVIEW

Conceptual Review

Job performance

Job performance refers to whether an employee carried out his duty well or not (Thwala. Ajagbe, Enegbama, Bilau & Long, 2012). Job performance comprises the behaviours that employees do in their jobs that are relevant to the goals of the organization (Thwala et al, 2012). David (2006) described three important factors that affect job performance and these consists of the ability variables (what is needed to achieve the job performance) motivation variables (what determines the job performance (and opportunity variables (that is work environment, temperature, noise level, leadership and characteristics of the job).

Usman, Inuwa & Dalong (2012) classified job performance as a plan for target achievement, such as achieve all organizational goals, optimize the use of resources, social behavior as relations with others is always helpful to others. Carmeli (2003) define job performance as employees ability to behave in a manner that will yield vital outcome for the success of the organization. Evenson (2006) explained job performance as a combination of employees behaviours. He stated that it can be monitored, measured and evaluated as outcomes at employees level and linked with organizational goals. Employee job performance is an important determinant of organizational success. Huselid (2006) described job performance as a reflection of three characteristics, which are performance related to capacity of an employee to perform, employees’ willingness to perform and organization support. Jones, George and Hill (2000) stated that, linkage between the personality and job performance in the organization are categorized into emotional stability, openness, consciousness, agreeableness and extroversion effect, job performance.

Theoretical Review

Staff Training and Employee Job Performance

Staff training is a method used to increase job related employee knowledge (Usman et al, 2012). Absence of vital training leads to employee poor performance (Ruchi, 2012). Training leads to highly motivated and empowered workforce and improves performance (Long, Mahantra & Ajagbe, 2012; Price, 2001). Long et al (2012) stated that through training, organization can ensure a high quality performance from employees and at the same time, employees are able to acquire new skills and knowledge and be able to work more effectively. Kockand Per-Erick
described training as a flexible element in the development of an employee as it consists of both formal and informal ways to enhance the effectiveness and efficiency of the employee. Huang (2001) found that training of employees leads towards better organizational performance. Employees who possesses intensive training approach attitude performs well in his duty and helps company to speedily adjust the new distractive organizational performance (Mitki & Ram, 2007). Kim et al (2012) opined that in order to sustain the work performance employees must be developed through training to enable them use their intellectual capabilities to work which in turn results increase in organizational performance.

Staff Compensation and Employee Job Performance

Staff compensation is a reward given in exchange of service rendered in an organization (Mohammed, 2012; Okutande, 2014). Staff compensation plays an important role in enhancing performance. Mohammed (2012) argued that staff compensation play vital role in retaining and rewarding a high performance employee. Employees will not perform when they are paid less than what obtains in the labour market (Okuntade, 2014) and will want to leave. Staff compensation is a moderation variable that influence job satisfaction, organizational commitment and performance (Price, 2001). Pay satisfaction and salary raise has great influence on job involvement and performance (Carral, Tower, Judge& Kohn, 2005). Carral et al (2005) found that pay satisfaction is positively related to involvement and performance. De Gieter & Hofmans (2015) argues that employees satisfaction with compensation would increase their performance and their engagement in their jobs.

Co-worker Relationship and Employee Job Performance

Co-worker relationship is the extent to which employees perceived that co-worker offer them support, encouragement and concern (O’Driscoll & Cooper, 2002). Support from co-worker during task accomplishment allow employees to interact fully with their co-workers and obtain the necessary assistance that enhances performance (O Driscoll & Cooper, 2002). Co-worker relationship also conveys feelings of energy, enthusiasm and general feelings of positive effect when co-worker or supervisor is supportive of subordinate. It leads to favourable outcome for the employees and organization, such as reduced stress, turnover intention, increased commitment, increased productivity and enhanced performance (Bakker et al, 2003; Eisenberger et al, 2002). Support from co-workers, supervisors and organization will increase employee ability to cope with their job and enhance performance (Marker, 2007). Employee will slack up in their duties when they do not perceive support from their supervisor and organizations (Marker, 2007). Kraimer, Seibert, Wayne, Liden & Bravo, 2001) also found that organizational support is positively related to job performance and satisfaction when the organization offers development and career advancement.

Staff Promotion and Employee Job Performance

Staff promotion is an upwards movement of employees in his area of specialization (Adeboye & Adegoroye, 2012). Staff promotion is a vehicle for enhancing employees job performance and growth (Kim, 2012). Weng et al (2010) stated that employees organizational growth enhances performance and could be captured by four factors, career goal progress, professional ability development, promotion speed and remuneration growth. Promotion and work design are major reason for employee job performance and are the major reason employees decide to join, remain or leave an organization.

Employees slack up in their duty if their opportunity for advancement to higher position in the organization out of hard work is frustrated (Korsakiene et al, 2014). Fairness is a critical point concerning promotion (Parker, Noun & Hayes, 2011). Parker et al (2011) stated that a strong link
between performance and promotion leads to high perception of justice and satisfaction of employees. Promotion need to be transparent to increase employees willingness to perform (Kaplan & Ferns, 2001).

METHODOLOGY

Survey research design was utilized to gather information or data from staff of United Bank for Africa Plc, Union Bank Plc, First Bank Plc, Zenith Bank Plc, Access Bank Plc, Sterling Bank Plc, First City Merchant Bank Plc, Guaranty Trust Bank Plc, Eco Bank Plc in Enugu state. The population of the study was 720. Samples of 254 were selected from the study using Yamane (1964) formular. A stratified random sampling technique was used to distribute sample to the various banks above; using stratum allocation of Kumar (1976). Sampling was conducted on 254 respondents using questionnaire instrument. The questionnaire was made up of 5 point Likert scale. For each variable, there were four items/elements which were deployed keeping in view the questionnaire filling culture and understanding of the population. The questionnaire is a combination of adaption from the proposed five dimensions model for job satisfaction by Zhang and Liao (2007) and self development of items. The demographic data was part of the questionnaire. A total of 254 questionnaires were distributed to staff of the banks above and 202 responses were collected, which has 79.52% response rate. The reliability coefficient of the questionnaire was measured using Cronbach’s Alpha. The reliability coefficient was 0.832. This means that the data collected were valid and reliable enough for analysis. There are five variables in total in the model, where there are four independent variables and one dependent variable. The independent variables are staff training, staff compensation, co-worker relationship, staff promotion and one dependent variable employee job performance. As the data consists of single dependent variable and multiple independent variables, multiple regressions analysis was deployed and SPSS 16.0 was used to generate results. Descriptive method of analysis were utilized to analyze data from questionnaire instrument using percentages. Hypothesis testing were carried out using multiple regression analysis.

Validity and Reliability of Instrument

Pilot Test

A pilot test was carried out on 50 respondents before questionnaire distribution in other to collect their comments, ensure simplicity and understanding of the questionnaire, which helped in developing the questionnaire more efficiently. A favourable comment was obtained from the 50 respondents and the results of the pilot test ensured that the survey was understandable by the 50 respondents.

The reliability analysis was conducted on staff training, staff compensation, co-worker relationship and staff promotion. Table 1 showed the reliability analysis of questionnaire, and the result showed that the reliability coefficient of questionnaire ranged from 0.772-0.896. The reliability coefficient of the questionnaire was 0.832. This means that the data collected were valid and reliable enough to be used for analysis. Walonick (1993) stated that the values above 0.7 are considered acceptable, and the value above 0.8 are preferable good.
Table 1: Result of reliability analysis.

<table>
<thead>
<tr>
<th>Variables</th>
<th>items</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff Training</td>
<td>4</td>
<td>.772</td>
</tr>
<tr>
<td>Staff Compensation</td>
<td>4</td>
<td>.821</td>
</tr>
<tr>
<td>Co-worker Relationship</td>
<td>4</td>
<td>0.896</td>
</tr>
<tr>
<td>Staff Promotion</td>
<td>4</td>
<td>0.768</td>
</tr>
<tr>
<td>Job performance</td>
<td>4</td>
<td>0.902</td>
</tr>
</tbody>
</table>

Source: Authors computation, 2018

Model Specification

In order to identify the factors that influence employee job performance, a multiple regression model is used. The regression model used is specified as follows.

\[ EJP = \beta_0 + \beta_1ST + \beta_2SC + \beta_3CR + \beta_4SP + \mu \]

Where

- \( EJP \) = Employee Job Performance
- \( \beta_1ST \) = Staff Training
- \( \beta_2SC \) = Staff Compensation
- \( \beta_3CR \) = Co-worker Relationship
- \( \beta_4SP \) = Staff Promotion
- \( \beta_0 \) = (Beta zero) Y-intercept of the line
- \( \beta_i = (i=1,2,3,4) \) are estimates of the coefficient
- \( \mu \) = an error term measuring variation in employee performance that is unaccounted for by the independent variables.

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

Data presentation and analysis for sample background variables. A total of two hundred and fifty seven (254) questionnaires were given out to respondents and two hundred and two (202) were dully returned and usable, and subsequently analyzed. Therefore the response rate was 79.52%. The demography of respondents was presented in table 2 below.

Table 2: Demography of Respondents

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below 30 years</td>
<td>42</td>
<td>20.8</td>
</tr>
<tr>
<td>30 – 39 years</td>
<td>83</td>
<td>41.2</td>
</tr>
<tr>
<td>40-49 years</td>
<td>53</td>
<td>26.2</td>
</tr>
<tr>
<td>50 years and above</td>
<td>24</td>
<td>11.8</td>
</tr>
<tr>
<td>Total</td>
<td>202</td>
<td>100.0</td>
</tr>
<tr>
<td>Sex:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>136</td>
<td>67.3</td>
</tr>
<tr>
<td>Female</td>
<td>66</td>
<td>32.7</td>
</tr>
<tr>
<td>Total</td>
<td>202</td>
<td>100.0</td>
</tr>
</tbody>
</table>
Educational Level:

<table>
<thead>
<tr>
<th>Level</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secondary</td>
<td>57</td>
<td>28.2</td>
</tr>
<tr>
<td>Post-secondary</td>
<td>80</td>
<td>39.6</td>
</tr>
<tr>
<td>Polytechnic/University</td>
<td>68</td>
<td>32.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>202</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Department:

<table>
<thead>
<tr>
<th>Department</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting</td>
<td>22</td>
<td>10.9</td>
</tr>
<tr>
<td>Marketing</td>
<td>50</td>
<td>24.8</td>
</tr>
<tr>
<td>Administration</td>
<td>31</td>
<td>15.3</td>
</tr>
<tr>
<td>Production</td>
<td>65</td>
<td>32.2</td>
</tr>
<tr>
<td>Maintenance</td>
<td>34</td>
<td>16.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>202</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Marital Status:

<table>
<thead>
<tr>
<th>Status</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>71</td>
<td>35.1</td>
</tr>
<tr>
<td>Married</td>
<td>131</td>
<td>64.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>202</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field survey, 2018

Table 2 above shows the age distribution of the sampled respondents of whom, 42 (20.8%) of them were age below 30 years, 83 (41.2%) of them were aged 30 – 39 years, 53 (26.2%) of them were aged 40 – 49 years and 24 (11.8%) of them were aged 50 years and above. This shows that majority of the respondents were aged 30 – 39 years. On the issue of sex of sample respondents, 136 (67.3%) were males and 66 (32.7%) were females. This implies that majority of the respondents were males. On the educational level of the respondents who returned valid copies of distributed questionnaires of whom 57 (28.2%) of them attended secondary school, 80 (39.6%) of them attended post secondary school and 65 (32.2%) of them attended polytechnic/university. This implies that majority of the sampled respondents attended post secondary school. Based on the department 22 (10.9%) of the respondents were in accounting department 50 (24.8%) of the respondents were in the marketing department, 31 (15.3%) of the respondents were in administration department, 65 (32.2%) of the respondents were in production department, 34 (16.8%) of the respondents were in maintenance department. This implies that majority of the respondents were in the production department. On the issue of marital status of sampled respondents 71 (35.19%) of them were single and 131 (64.9%) of them were married. This shows that majority of the respondents were married.

Presentation of Data Collected and Used for Regression Analysis

Table 3: Distribution of Responses on Questions on Independent Variables

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Undecided</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff Training</td>
<td>52 (25.7)</td>
<td>65 (32.2)</td>
<td>12 (5.9)</td>
<td>50 (24.8)</td>
<td>23 (11.4)</td>
</tr>
<tr>
<td>Staff compensation</td>
<td>98 (48.5)</td>
<td>64 (31.7)</td>
<td>3 (1.5)</td>
<td>23 (11.4)</td>
<td>14 (6.9)</td>
</tr>
<tr>
<td>Co-worker relationship</td>
<td>68 (33.7)</td>
<td>72 (35.6)</td>
<td>5 (2.5)</td>
<td>32 (15.8)</td>
<td>25 (12.4)</td>
</tr>
<tr>
<td>Staff promotion</td>
<td>40 (19.8)</td>
<td>13 (6.4)</td>
<td>8 (4.0)</td>
<td>84 (41.6)</td>
<td>57 (28.2)</td>
</tr>
</tbody>
</table>

Source: Field survey, 2018
Figures that are not in bracket in table 3 show that number of responses, while those that are in bracket show percentage of responses.

**Table 4: Distribution of Responses to Questions on Dependent Variable**

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Undecided</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee job performance</td>
<td>35 (17.3)</td>
<td>75 (37.1)</td>
<td>62 (30.7)</td>
<td>26 (12.9)</td>
<td>4 (2.0)</td>
</tr>
</tbody>
</table>

Source: Field survey, 2018

Figures that are not in bracket in table 4 show the number of responses, while those that are in bracket show percentage of responses.

**Multiple Regression Technique**

The study employed multiple regression to test the formulated hypotheses given the individual significance of the variables and the results were presented in table 5 below.

**Table 5: Multiple Regression Result**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std error</th>
<th>t-statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>3.855</td>
<td>0.631</td>
<td>6.098</td>
<td>.000</td>
</tr>
<tr>
<td>Staff Training</td>
<td>0.415</td>
<td>0.086</td>
<td>4.806</td>
<td>.001</td>
</tr>
<tr>
<td>Staff compensation</td>
<td>0.617</td>
<td>0.097</td>
<td>6.342</td>
<td>.003</td>
</tr>
<tr>
<td>Co-worker relationship</td>
<td>0.641</td>
<td>0.094</td>
<td>6.794</td>
<td>.000</td>
</tr>
<tr>
<td>Staff promotion</td>
<td>0.439</td>
<td>0.079</td>
<td>5.539</td>
<td>.004</td>
</tr>
</tbody>
</table>

R² = 0.618
Adjusted R² = 0.611
F statistics = 20.556 [ 0
Stand error = 0.416

Statistical Package for Social Science (SPSS) version 16.

**Interpretation of Results**

**Test of Hypotheses**

**Hypothesis 1:** Staff training does not positively influence employee job performance. The beta value shows that 1 unit positive change in the value of training would result in 0.415 units (41.5%) positive change in employee job performance, other variables being held constant. This in essence entails that staff training is a function of employee job performance. Staff training shows statistically significant unique contribution in explaining employee performance with (p<.01); while the t-statistics of staff training accounted for significant positive variation in
dependent variable, that is employee job performance ($t = 4.806, P<.01$). Resultantly, null hypothesis was rejected and alternate hypothesis accepted. Meaning that staff training exerts significant influence on employee performance and have positive relationship with employee job performance. This result aligns with the theory which states that through training, organization can ensure a high quality performance from employees and at the same time, employees are able to acquire new skills and knowledge and be able to work effectively.

**Hypothesis 2:** Staff Compensation does not Positively Influence Employee Job Performance

The beta value shows that 1 unit positive change in the value of staff compensation would result in 0.617 units (61.7%) positive change in employee job performance, other variables being held constant. This in essence entails that staff compensation is a function of employee job performance. Staff compensation shows statistically significant unique contribution in explaining employee job performance with ($p<.01$), while the t-statistics of staff promotion also accounted for significant positive variation in dependent variable, that is employee job performance ($t=6.342, P<.01$). Resultantly, null hypothesis is rejected and alternate hypothesis accepted. Meaning that staff compensation exerts significant influence on employee job performance and have positive relationship with employee job performance. This result accords with the theory which states that pay satisfaction and salary raise has great influence on job involvement and performance and that employees satisfaction with compensation would increase their performance and engagement in their jobs.

**Hypothesis 3:** Co-worker relationship does not positively influence employee job performance

The beta value shows that 1 unit positive change in the value of Co-worker relationship would result in .641 units (64.1%) positive change in employee job performance, other variables being held constant. This in essence entails that Co-worker relationship is a function of employee job performance. Co-worker relationship shows statistically significant unique contribution in explaining employee job performance with ($p<.01$), while the t-statistics of co-worker relationship accounted for significant positive variation in dependent variable that is employee job performance ($t = 6.794, P<.01$). Resultantly, null hypothesis is rejected and alternate hypothesis accepted. Meaning that Co-worker relationship exerts significant influence on employee job performance and have positive relationship with employee job performance. This result aligns with the theory which states that support from superior and co-worker will increase employee ability to cope with their job and enhance their performance. Employees will slack up in their duties when they do not perceive support from their superior, co-worker and organization.

**Hypothesis 4:** Staff promotion does not positively influence employee job performance

The beta value shows that 1 unit positive change in the value of staff promotion would result in 0.439 units (43.9%) positive change in employee job performance, other variables being held constant. This in essence entails that Staff promotion is a function of employee job performance. Staff promotion shows statistically significant unique contribution in explaining employee job performance with ($p<.01$), while the t-statistics of staff promotion also accounted for significant positive variation in dependent variable, that is employee job performance ($t = 5.539, P<.01$). Resultantly, null hypothesis is rejected and alternate hypothesis accepted. Meaning that Staff promotion exerts significant influence on employee job performance and have positive relationship with employee job performance. This result accords with theory which states that staff promotion is a vehicle for enhancing employees job performance and growth and that employees will slack up in their duty if their opportunity for advancement to higher position in the organization out of hard work is frustrated.
Discussion of Findings

The multiple regression result in table 5 reflects the regression model that was developed using employee job performance as the dependent variable and staff training, staff compensation, co-worker relationship and staff promotion as the independent variables. Considering the results obtained in table 5, the individual coefficients $\beta$ in case of each and every variable indicates a positive results overall.

A positive relationship lies between the independent variable staff training and the dependent variable employee job performance. This result is consistent with the researches of Long et al (2012), Ruchi, (2012), Kock and Per-Erick, (2011) and Mitki and Ram (2007).

A positive relationship also exists between the independent variable staff compensation and the dependent variable employee job performance. This result is consistent with the researches of Okuntade (2014), Mohammed (2012) Carral et al (2005) and De Gieter and Hofman (2015).


There is also a positive relation between the independent variable staff promotion and the dependent variable employee job performance. This is consistent with the result of Kim (2012) Korsakiene et al (2014) and Parker et al (2011).

The whole analysis showed that the independent variables staff training, staff compensation, co-worker relationship and staff promotion regressed the dependent variable employee job performance and provides considerable outcome where significant value ($p$) is less than 0.01, $F$ value is equal to 20.556 an R square is greater than 0.60, while less than 1 value is observed from the standard error. $R^2$ shows that the model is a fit one. $F=20.556 <0.00$ shows that the model has overall significance at 1% level. $R^2$ 0.618 suggest that the model has a good fit. This indicates that 61.8% variation in employee performance is accounted for by the variation in explanatory variables, suggesting that the model has a good explanatory power on the changes in employee job performance among variables.

Conclusion

It is concluded that the predictor variables, staff training, staff compensation, co-worker relationship and staff compensation have positive relationship with employee job performance. All the variables have statistical significant t-ratio. The results are consistent with the literature.

Recommendations Based on Research Findings

1. The study recommended that management should conduct regular training programmes to enhance performance of employee and the organization, but it should be done with employees that are focus driven with the goals of the organization.

2. The study recommended that employee should be adequately remunerated inline with what obtains in the labour market and not what the corporate guideline dictates. And that remuneration should be based on performance.

3. The study recommended that superior and co-workers should be supportive to subordinates and mates to enable them cope with their job and enhance performance.

4. The study recommended that employees should be given opportunity to attain higher position through display of intelligence and hardwork.
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The Effect of Wrongful Dismissal on Organisational Performance

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Abstract

This study examined the effect of wrongful dismissal on organizational performance. Dismissed employees institute court action against employer when dismissal fail to follow laid down procedure in contract arrangement. There must be grounds for dismissal and dismissal must be fair otherwise the employee will seek retribution in court. Dismissal without laid down procedure has costed industries in Nigeria huge sum of money in financing litigations. Litigations has negative impact on the financial status and performance of organizations. This study adopted a survey research design. It involves collection of data from respondents through questionnaire to test hypotheses. Multiple regression technique was used to test hypotheses. The research findings show that a significant and negative relationship lies between the independent variables, instituting court action, stress in initiating dismissal, financial losses from litigation, cost of training replacements and dependent variable organizational performance. All the independent variables have no statistically significant t-ratio and have negative relationship with organizational performance. The result is consistent with the literature. The study recommended that there should be compliance to contract arrangement stated by the employer when effecting dismissal, otherwise the dismissal will be deemed unfair and employee will seek retribution in court. And that decision to dismiss should be reviewed by the person responsible for appraising employee, next higher authority and a human resource manager before any action is taken.

Keywords: Employee Dismissal, Court Action, Litigation, Contract Arrangement, Dismissal Procedure, Organizational Performance.
INTRODUCTION

Wrongful dismissal of employee is not the best for any establishment because of the attendant drawback in terms of productively and growth. Dismissal without recourse to lay down procedure can lead to litigations which can retrogress the progress of the company. Costs awarded to individual seeking redress in court against wrongful dismissal can affect an organization financially and lead to poor performance.

Labour turnover associated with dismissal has direct cost and indirect cost. The direct costs include such items like recruitment, hiring and training replacements. The indirect costs include loss production, work disruption, increased scrap and overtime for other employee in order to meet deadlines (Johnson, 2006; Gustafson, 2002; Meaghan & Nick, 2002).

Dismissal as part of labour turnover can disrupt organizational strategic planning to achieve its objective when critical employee is lost (Capelli, 2008; Oluwafemi, 2010). Dismissal apart from its cost implication can cause leakage of vital information to competitors by the departing staff as one of the consequences of labour turnover (Ubeku, 1975). He also emphasized that the training given to the departing staff may not be realized and that this might encourage other staff in the organization to resign their appointment for other establishment.

Dismissal is initiated by the employer when all practical steps to rehabilitate employee fail. The grounds for dismissal are misconduct, lack of qualification for the job, insubordination and unsatisfactory performance (Famularo, 1972). Employers no longer find it easy to dismiss an employee since aggrieved employees take them to court. A lot of effort and money is wasted on litigations as a result of wrongful dismissal.

The numerous problems associated with dismissal makes it imperative that one should know the effect of wrongful dismissal in organization. This is one of the reasons why this study is worthwhile.

Dismissing an employee is one of the most crucial tasks a manager faces in the organization. Duham (2001) found that dismissed employee even if forewarned may still react with disbelief or even violence. He emphasized that managers executing dismissal need protection from violence. In a space of five years period physicians in the United States of America interviewed 791 employees who had undergone heart attack to discover what might have caused them. The researchers discovered that the stress associated with firing someone doubled the usual risk of a heart attack for the person firing, during the week following dismissal (Miami Herald, 1998).

Employees feel that their dismissal is fair when multistep procedure such as warning and neutral appeal process is instituted (Connie, 1999; Klass & Dell’ Omo, 1997; Wood Ward, 2007). They also stated that employee feel fairly treated when given full explanations on why and how termination decisions were made. And that they were more likely to perceive layoff as fair, endorse terminating organization and indicate that they will not take the past employer to court.

Objectives of the Study

The objective of the study is to examine the effect of wrongful dismissal on organization performance. The specific objective of the study is to:

i. Ascertain the extent to which instituting court action by dismissed employee affect organizational performance.

ii. Determine the extent to which stress from initiating dismissal affect organizational performance.
iii. Examine the extent to which financial losses from litigation by dismissed employee affect organizational performance

iv. Evaluate the extent to which costs of hiring and training replacements of dismissed employee affect organizational performance.

**Hypotheses of the study**

The following null hypotheses were formulated to guide this study.

Ho1: Instituting court action by dismissed employee does not positively affect organizational performance

Ho2: Stress from initiating dismissal does not positively affect organizational performance.

Ho3: Financial losses from litigation by dismissed employee does not positively affect organizational performance.

Ho4: Cost of hiring and training replacements of dismissed employees do not positively affect organizational performance.

**Significance of the study**

The study would be of great benefit to the following stakeholders.

Managers,

The study would be of great benefit to manager who institute dismissal to find possible strategies to avoid wrongful employee dismissal. It would be of great interest and valuable to practicing managers especially Human Resource Managers and help them to avoid wrongful dismissal and create savings in hiring and training replacements.

Researchers and Academia

This would be of great benefit to researcher in business administration and management related field as it would provide empirical evidence for further studies on area of employee dismissal.

Government

It would be relevant to government and to other agencies on those behaviours, organizational culture and organizational structure that affects employee dismissal. It would help these stakeholders to address the issue of dismissal and to follow the laid down procedure in contractual agreement when effecting dismissal.

**Scope of the Study**

The study examined the effect of wrongful dismissal of employees in textile Industry in Nigeria. The scope of this study would delimit to staff of Afprint PLC and Enpee PLC Lagos Nigeria. The population of the study cut across the two textile industries. The study adopted a survey research design through the administration of structured questionnaire raised on a five point Likert Scale to the sampled respondents studied.

**LITERATURE REVIEW**

**The conceptual review**

**Dismissal**

Dismissal are terminations initiated by employer. It is the most drastic step an employer take towards an employee and such an action is given careful consideration (Dessler, 2008). With a contract either the employer or employee could terminate at will the employment relationship.
The employee can resign for any reason at will and the employer can dismiss an employee for any reason at will (Muhl, 2001).

Dismissal is initiated by the employer when all practical steps to rehabilitate employee fail. (Famularo, 1972). Wrongful dismissal is dismissal that did not comply with the contractual arrangement stated by the employer.

**Theoretical Review**

The reasons for dismissal include misconduct, lack of qualification for the job, change requirement of the job and unsatisfactory performance (Famularo, 1972; Flyn, 2000). Misconduct is wilful violation of the company rule and includes rowdy behaviour, insubordination, stealing, chronic tardiness and poor quality work, while things like stealing, chronic tardiness, absenteeism and poor quality work are easily understood grounds of dismissal, insubordination is not easy to translate into words. The following facts are regarded as insubordination, direct disregard of boss authority, disobedience, defiance of stated company policies, rules and regulations, procedures, public criticism of boss, disregard of reasonable instruction, contemptuous display of disrespect, disregard of chains of command, undermining leadership and insolent comment (Famularo, 1976).

Unsatisfactory Performance is persistent failing to perform assigned duties to meet prescribed standard, some of the reasons could be due to absenteeism, tardiness and adverse attitude toward the company or fellow employee. Lack of qualification for the job is an employee inability to perform the assigned duty even though he is diligent. The employer should assign the person to another job that he can do or retrain him. Change requirement of the job is the inability of the employee to do the job after employer have changed the nature of the job. The employer should retain or transfer the employee (Famularo, 1972).

Dismissal should follow laid down procedure otherwise, aggrieved dismissed employee will seek redress in court. Wrongful dismissal is a dismissal that failed to comply with contracted arrangement stated by the employer in the employee manual. It refers to a dismissal that violate the law (Lanza & Warren, 2005). Dismissal without recourse to laid down procedure, can lead to series of litigations which can retrogress the progress of the company. Costs awarded to individual seeking redress in court against wrongful dismissal can affect an organization financially and lead to poor performance. Wrongful dismissal is not the best for any establishment because of the attendant drawback in terms of productivity and growth. (Lanza & Warren, 2005).

As earlier stated wrongful dismissal happens when an employee’s dismissal does not comply with the law or with the contractual arrangement stated by the employer. In a constructive discharge claim due to wrongful dismissal, the plaintiff argues that he or she quit, but had no choice because the employer made the situation so intolerable at work (Falcon, 2001). Avoiding wrongful discharge suit require a two-pronged approach (Coil & Rice, 1994; Conner, 2000; Sosnin. 2005). They emphasized that people who are fired and who walk away feeling embarrassed or treated unfairly are more likely to seek retribution in court. According to them employers can use severance pay to blunt a dismissal string. There is no way to make termination pleasant, but the first line of defence is to handle it with fairness and justice.

There is never a time dismissal is pleasant but there are several things you do to ensure that the employee view the dismissal as fair (Connie, 1999; Klass and Dell’ Omo, 1997; Woodward, 2007). These authors found that “individual who reported that they were given full explanations why and how termination decision were made were more likely to perceive their layoff as fair, endorse terminating organization and indicate that they will not take the past
employer to court. They found that initiating a formal multistep procedure (including warning and neutral appeal process also fosters fairness.

Who actually does the dismissal is important. Employees in a study whose managers inform them of an impending layoff viewed the dismissal procedure as much fairer than those told by, say a human resource manager. The quality of the pre-layoff relationship between the employee and manager did affect whether or not the employee preferred to get the news from the managers. Based on this, one has questioned the common practice of having the Human Resource Department handle such modification (Connie, 1999).

Dismissing an employee is one of the crucial tasks a manager faces in the organization. In a space of five years period, physician in the United States of America interviewed 791 employees who had undergone heart attack to discover what might have caused them. The researchers discovered that the stress associated with firing someone doubled the usual risk of a heart attack for the person firing during the week following the dismissal (Miami herald, 1998).

Duham (2001) found that dismissed employee, even if forewarned or warned many times, may still react with disbelief or even violence. He emphasized that the manager executing dismissal need protection from violence. Facility security measures are important wherever dismissal occur. Checklists are used to ensure that dismissed employee returned all keys and company property, and often accompanying them out of their offices and out of the building (Dessler, 2008).

The employer should disable internet – related passwords and account of former employee, plug hole that could allow an ex – employee to exploit someone else’s user account to gain illegal access, and have formal rules to return company laptops (Jaikmur, 2001). The person’s immediate supervisor should ensure that all access privileges are cut off and all account detected, the company security group checks to make sure the manager follow the procedure (Jaikmur, 2001). Dismissal is an involuntary turnover. Involuntary turnover occurs where the employee is terminated by the employer but has no choice in their termination (Both & Hamer, 2007). Involuntary turnover includes death, retirement and dismissal (Griffith, Hom & Gartner, 2003).

Johnson (2006) noted that employee turnover costs organizations approximately 50 percent of their salary in recruiting and training replacements. Chukwu, Josiah, Ogungbenle and Akpeti (2012) also stated that organization incur costs in hiring and training replacement as a result of labour turnover. Other costs associated with turnover includes lost production, lost sales and management time and loss attached to intellectual capital (Gustatson, 2002; Meaghan & Nick, 2002). Dismissal is part of involuntary labour turnover and direct and indirect costs are also incurred when one is dismissed. Dismissal can disrupt organization strategic planning to achieve its objective when critical employee is lost (Oluwafemi, 2010; Capeilli; 2008; Griffeth et al 2003). Dismissal apart from its cost implication, Ubeku (1975) stated leakage of vital information to competitors by the departing staff as one of the consequences of labour turnover (dismissal). He also emphasized that the training given to the departing staff may not be realized and that this might encourage other staff in the organization to resign their appointment for other establishments.

**METHODOLOGY**

Survey research design was used to gather information or data from sample oft textile companies in Nigeria. The population of the study comprises staff of Afprint Plc and Enpee Plc Lagos, Nigeria. The population of the study was 1753. A sample of 326 was selected for the study using Yamane (1964) formular. A stratified random sampling technique was used to distribute sample
to Afprint Plc and Enpee Plc using stratum allocation technique of Kumar (1976). Sampling was conducted on 326 respondents using questionnaire instrument. The questionnaire was made up of 5 points Likert scale. For each variable, there were four (items/elements) which were deployed keeping in view of the questionnaire filling culture and understanding of the population. The questionnaire is a self development of items. The demographic data was part of the questionnaire.

A total of 326 questionnaires were distributed to staff of Afprint Plc and Enpee Plc and 268 responses were collected which has 82.21% response rate. There were five variables in total in the model of study where there are four independent variables and one dependent variable. The independent variables are instituting court action, stress in instituting dismissal, financial losses from litigation, and cost of hiring and training replacements and one dependent variable organization performance. As the data consists of single dependent variable and multiple independent variables, multiple regression analysis were deployed and SPSS 16.0 was used to generate results. Descriptive method of analysis were utilized to analyze data from questionnaire instrument using percentages. Hypotheses testing were carried out using multiple regression statistics.

Validity and Reliability of Instrument

Pilot Test

A pilot test was carried on 50 respondents before questionnaire distribution in other to collect their comments, ensure simplicity and understanding of questionnaire, which helped in developing the questionnaire more efficiently. A favourable comment was obtained from the 50 respondents and the results of the pilot test ensure that the survey was understandable by the 50 respondents.

The reliability analysis was conducted on instituting court action, stress in instituting dismissal, financial loss from litigation and cost of hiring and training replacements. Table 1 showed the reliability analysis of the questionnaire, and the results showed that the reliability coefficient of the questionnaire ranged from 0.715 – 0.920. The reliability coefficient of the questionnaire was 0.822, this means that the data collected were valid and reliable enough to be used for analysis. Walonick (1993) stated that the values above 0.7 are considered acceptable, and the values above 0.8 are preferable or good

<table>
<thead>
<tr>
<th>Variables</th>
<th>Items</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instituting court action</td>
<td>4</td>
<td>0.715</td>
</tr>
<tr>
<td>Stress in instituting dismissal</td>
<td>4</td>
<td>0.880</td>
</tr>
<tr>
<td>Financial losses from litigation</td>
<td>4</td>
<td>0.810</td>
</tr>
<tr>
<td>Cost of hiring and training replacements</td>
<td>4</td>
<td>0.786</td>
</tr>
<tr>
<td>Organizational Performance</td>
<td>4</td>
<td>0.920</td>
</tr>
</tbody>
</table>

Source: Researchers computation: 2018

Model Specification

In order to determine the effect of dismissal on organizational performance, a multiple regression model is used. The regression model used is specified as follow.

\[ OP = \beta_0 + \beta_1ICA + \beta_2SID + \beta_3FLL + \beta_4CHTR + \mu \]

Where
OP = Organizational Performance  
ICA = Instituting Court Action  
SID = Stress in instituting dismissal  
FLL = Financial Losses from Litigation  
CHTR = Cost of Hiring and Training Replacements  
\( \beta_0 = (\text{Beta Zero}) \) y-intercept of the line  
\( \beta_i = (i = 1, 2, 3, 4) \) are estimates of the coefficient.  
\( \mu \) = an error term measuring variables in turnover intention unaccounted for by the independent variables.

**DATA PRESENTATION AND, ANALYSIS FOR SAMPLE BACKGROUND VARIABLES**

A total of three hundred and twenty six (326) questionnaire were given out to respondents and two hundred and sixty eight (268) were duely returned and useable, and subsequently analyzed. Therefore, the response rate was 82.21%. The demography of the respondents was presented in table 2.

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age: Below 30 years</td>
<td>54</td>
<td>20.1</td>
</tr>
<tr>
<td>30-39 years</td>
<td>116</td>
<td>43.3</td>
</tr>
<tr>
<td>40-49 years</td>
<td>70</td>
<td>26.1</td>
</tr>
<tr>
<td>50 years and above</td>
<td>28</td>
<td>10.5</td>
</tr>
<tr>
<td>Total</td>
<td>268</td>
<td>100.0</td>
</tr>
<tr>
<td>Sex:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>188</td>
<td>70.1</td>
</tr>
<tr>
<td>Female</td>
<td>80</td>
<td>29.9</td>
</tr>
<tr>
<td>Total</td>
<td>268</td>
<td>100.0</td>
</tr>
<tr>
<td>Education level:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secondary</td>
<td>74</td>
<td>27.6</td>
</tr>
<tr>
<td>Post-secondary</td>
<td>110</td>
<td>41.0</td>
</tr>
<tr>
<td>Polytechnic/university</td>
<td>84</td>
<td>31.4</td>
</tr>
<tr>
<td>Total</td>
<td>268</td>
<td>100.0</td>
</tr>
<tr>
<td>Department:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td>61</td>
<td>22.8</td>
</tr>
<tr>
<td>Marketing</td>
<td>77</td>
<td>28.7</td>
</tr>
<tr>
<td>Production</td>
<td>130</td>
<td>48.5</td>
</tr>
<tr>
<td>Total</td>
<td>268</td>
<td>100.0</td>
</tr>
<tr>
<td>Marital Status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>85</td>
<td>31.7</td>
</tr>
<tr>
<td>Married</td>
<td>183</td>
<td>68.3</td>
</tr>
<tr>
<td>Total</td>
<td>268</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2018

Table 2 above shows the age distribution of the sampled respondents of whom 54 (20.1%) of them were aged 30 years below, 116 (43.3%) of them were aged 30-39 years, 70 (26.1%) of them
were aged 40-49 years and 28 (10.5%) of them were aged 50 years and above. This shows that the majority of the respondents aged 30-39 years. On the issue of sex of the sampled respondents, 188 (70.1%) were males and 80 (29.9%) were females. This implies that majority of the respondents were males. On the educational level of the respondents who returned valid copies of distributed questionnaires of whom 74 (27.6%) of them attended secondary school, 110 (41.0%) of them attended post secondary school and 84 (31.4%) of them attended polytechnic/university. This means that majority of the sampled respondents attended post-secondary school. Based on department, 61 (22.8%) of the respondents were in administration department, 77 (28.7%) of the respondents were in marketing department, 130 (48.5%) of the respondents were in production department. This means that majority of the respondent were in production department. On the issue of marital status of the sampled respondents, 85 (31.7%) of them were single and 183 (68.3%) of them were married. This shows that the majority of the respondents were married.

Presentation of Data Collected and used for Regression Analysis

Table 3: Distribution of Responses to Questions on Independent Variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Undecided</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. ICA</td>
<td>16 (6)</td>
<td>27 (10.1)</td>
<td>11 (4.1)</td>
<td>129 (48.1)</td>
<td>85 (31.7)</td>
</tr>
<tr>
<td>2. SID</td>
<td>21 (7.8)</td>
<td>30 (11.2)</td>
<td>12 (4.5)</td>
<td>124 (46.3)</td>
<td>81 (30.2)</td>
</tr>
<tr>
<td>3. FLL</td>
<td>29 (10.8)</td>
<td>38 (14.2)</td>
<td>15 (5.6)</td>
<td>90 (33.6)</td>
<td>96 (35.8)</td>
</tr>
<tr>
<td>4. CHTR</td>
<td>13 (4.9)</td>
<td>52 (19.4)</td>
<td>13 (4.8)</td>
<td>119 (44.4)</td>
<td>71 (26.5)</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2018

Where

ICA = Instituting Court Action
SID = Stress in Initiating Dismissal
FLL = Financial Losses from Litigation
CHTR = Cost of Hiring and Training Replacements

Figure's that are not in bracket show the number of responses, while those that are in bracket show the percentages of the responses.

Table 4: Distribution of responses to questions on dependent variable

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Undecided</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Performance</td>
<td>57 (21.3)</td>
<td>116 (43.3)</td>
<td>53 (19.8)</td>
<td>28 (10.4)</td>
<td>14 (5.2)</td>
</tr>
</tbody>
</table>

Source: field survey, 2018

Figures that are not in bracket show the number of responses and while those that are in bracket show the percentages of the responses.

Multiple Regression Technique

The study employed multiple regression technique to test the formulated hypotheses given the individual significance of the variables and the results were presented in table 5 below.
### Table 5 Multiple Regression Result

<table>
<thead>
<tr>
<th>Variables</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistics</th>
<th>Problem</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>3.856</td>
<td>0.632</td>
<td>6.096</td>
<td>.000</td>
</tr>
<tr>
<td>ICA</td>
<td>-0.612</td>
<td>0.093</td>
<td>-6.554</td>
<td>.003</td>
</tr>
<tr>
<td>SID</td>
<td>-0.432</td>
<td>0.090</td>
<td>-4.798</td>
<td>.005</td>
</tr>
<tr>
<td>FLL</td>
<td>-0.448</td>
<td>0.067</td>
<td>-6.669</td>
<td>.001</td>
</tr>
<tr>
<td>CHTR</td>
<td>-0.678</td>
<td>0.097</td>
<td>-6.978</td>
<td>.003</td>
</tr>
</tbody>
</table>

R²=0.603  
R² Adjusted 0.598  
Std. Error 0.412  
F- Statistics 26.561[.001

**Interpretation of Result**

**Test of hypothesis**

Hypothesis 1: Instituting court action by dismissed employee does not positively affect organizational performance

The beta value shows that 1 unit negative change in the value of instituting court action by dismissed employee would result in – 0.612 units (61.2%) negative change in organizational performance, other variables being held constant. This in essence entails that instituting court action is a function of organizational performance. Instituting court action show statistically significant unique contribution in explaining organizational performance with (P<.01). While t – statistics of instituting court action account for significant negative variation in dependent variable, that is organizational performance (t = -6. 554, P<.01). Resultantly null hypothesis is accepted and alternate hypothesis is rejected, meaning that instituting court action exerts significant effect on organizational performance and have negative relationship with organizational performance. This result aligns with the theory which states that it is no longer easy to dismiss employee since they always seek redress in court by instituting court action against the employer. Labour laws and court ruling have increasingly limited management right to dismiss employee

Hypothesis 2: Stress from initiating dismissal does not positively affect organizational performance

The beta value shows that 1 unit negative change in the value of stress from initiating dismissal would result in – 0.432 units (43.2%) negative change in organizational performance, other variables being held constant. This in essence entails that stress from initiating dismissal show statistically significant unique contribution in explaining organizational performance with (P<0.1), while t-statistics of stress from initiating dismissal account for significant negative variation in dependent variable, that is organizational performance (t=-4.798, P<.01). Resultantly null hypothesis is accepted and the alternate hypothesis rejected, meaning that stress from initiating dismissal exerts significant effect on organizational performance and have negative relationship with organizational performance. This result accords with the theory which states that dismissing an employee is one of the most crucial task a manager faces in organization. Research have discovered that the stress associated with dismissing someone doubled the usual
risk of a heart attack for the person executing dismissal, during the week following the dismissal. Dismissed employee even if forewarned or warned many times may still react with disbelief or even violence.

**Hypothesis 3:** Financial losses from litigation by dismissed employees does not positively affect organizational performance.

The beta value shows that 1 unit negative change in the value of financial losses from litigation would result in -0.448 units (44.8%) negative change in organizational performance, other variables being held constant. This in essence entails that financial losses from litigation is a function of organizational performance. Financial losses from litigation show statistically significant unique contribution in explaining organizational performance with (P<.01). While t-statistics of financial losses from litigations account for significant negative variation in dependent variable, that is organizational performance (t=-6.669, P<.01). Resultantly null hypothesis is accepted and the alternated hypothesis is rejected, meaning that financial losses from litigation exerts significant impact on organizational performance and have negative relationship with organizational performance. The result aligns with the theory which states that dismissal without recourse to lay down procedure, can lead to series of litigations which can retrogress the progress of the company. Costs awarded to individual seeking redress in court against wrongful dismissal can affect an organization financially and lead to poor performance.

**Hypothesis 4:** Costs of hiring and training replacements of dismissed employees do not positively affect organizational performance.

The beta value shows that 1 unit change in the value of cost of hiring and training replacement of dismissed employees would result in -0.678 units (67.8%) negative change in organizational performance, other variables being held constant. This in essence entails that cost of hiring and training replacements is a function of organizational performance. Cost of hiring and training replacements show statistically significant unique contribution in explaining organizational performance with (P<.01). While t-statistics of cost of hiring and training replacement account for significant negative variation in dependent variable that is organizational performance (t=6.978, P<.01). Resultantly null hypothesis is accepted and the alternate hypothesis is rejected, meaning that cost of hiring and training replacement exerts significant effect on organizational performance and have negative relationship with organizational performance. This result accords with the theory which states that labour turnover associated with dismissal has direct and indirect costs. The direct costs include such items like recruitment, hiring and training replacements. The indirect costs include loss production, work disruption, increased scrap and overtime for other employee in order to meet deadline.

**DISCUSSION OF FINDINGS**

Considering the results obtained in table 5, the individual $\beta$ in case of each and every variable indicates negative result over all. Negative relationship lie between the independent variable instituting court action and the dependent variable organizational performance. This is consistent with the researches of Coil and Rice (1994); Conner (2000); Sosnin (2005).

Negative relationship also exists between the independent variable stress in initiating dismissal and the dependent variable organizational performance. This is consistent with the researches of Miami Herald (1998); Duham (2001).

There is a negative relationship between the independent variable financial losses from litigation and the dependent variable organizational performance. This is consistent with the researches of Warren (2005); Sosnin (2005) Conner (2000); Coil and Rice (1994).
A negative relationship exists between the independent variable cost of hiring and training replacement and the dependent variable organizational performance. This is consistent with the researches of Johnson (2006); Chukwu et al (2012).

The whole analysis show that the independent variables, instituting court action, stress in initiating dismissal, financial losses from litigation and cost of hiring and training replacements regressed organizational performance and provide a considerable outcome where significant value (p) is less than 0.01; F value equal to 26.561, shows that the model has overall significance at 1% level. R^2.603 suggests that the model has a good fit. This indicates that 60.3% of variation in organizational performance is accounted for by variation in explanatory variables, suggesting that the model has a good explanatory power on the changes in organizational performance among variables.

Conclusion

The objective of this study is to examine the effect of wrongful dismissal on organizational performance. To execute this research goal, four objectives were raised and four hypotheses were also formulated and tested. Based on the results from the test of the four hypotheses, it is concluded that wrongful dismissal have significant and negative relationship with organizational performance. And the organizations should comply with the company rules, regulations and contract arrangement stated by the employer before effecting dismissal.

Recommendation Based on Research Findings

1. It is recommended that there should be compliance to the contract arrangement stated by the employer when effecting dismissal, otherwise the dismissal will be deemed unfair and employees will seek retribution in court.

2. It is recommend that the reason for dismissal should be clearly stated and should be based on company rules and regulations and full explanation on why and how decision was made.

3. It is recommended that the decision to dismiss should be reviewed by the person responsible for appraising employee and he should get approval from the next higher authority, where there is a human resource manager, he too should be consulted before every action is taken.

4. It is recommended that the security and comfort of the manager conducting dismissal must be ensured; otherwise subsequent dismissal will stumble and fail, since manager will be afraid of continuing the exercise.

Limitations of the study

In carrying out this study, the researcher was faced with the following limitations.

1. The sample size of the study was constrained due to the inability of the respondents to voluntarily participate in the survey.

2. The usage of research instrument was usually constraint with poor response and this ultimately affects the sample size. Also the reluctant of respondents to answer the questionnaire in the process of data collection, due to fear of victimization by those in Authority was another limitation of the study.

3. Statistical modelling of the variables (court action, stress, financial losses and cost of hiring and training replacements was tedious to the researcher. Therefore the technical nature of the study also limits the study under investigation.
REFERENCE


Connie, W (1999) Perceived unfairness of layoffs among individuals who have been laid off. A longitudinal study, Personal Psychology 2, 55-54.


