



## EXPLORING THE RELATIONSHIP BETWEEN WORK LOCUS OF CONTROL AND JOB INVOLVEMENT OF EMPLOYEES IN COMMERCIAL BANKS IN NIGERIA.

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### ABSTRACT

*The bank reform act of 2005 in Nigeria gave rise to banking sector consolidation and completely changed the outlook of commercial banking operations in Nigeria. The consolidation culminated into merger of some banks, while some 'bigger' ones acquired the smaller banks, and many other banks completely went into extinction. These undoubtedly changed the operational and structural outlook of the commercial banking template in Nigeria. Arising from these changes, many employees lost their jobs, while those who survive the consolidation had their salaries and allowances slashed and many of the employees had their promotion elongated. These no doubt affected the level of job involvement of the employees and subsequently the organisational performances. However, the degree of employees' job involvement depends on a number of factors, one of which is employees' attribution of work behaviour and its outcome (work locus of control). Using multistage sampling method, ten commercial banks in Nigeria, and 1,200 employees were randomly selected among the employees' these ten banks selected for this study. As hypothesized, work locus of control significantly predicted job involvement of employees of commercial banks in Nigeria. Result showed that, employees who have internal work locus of control were more involved in the jobs than employees with external work locus of control, and this affected employee's job performance appreciably. Therefore, to improve the performance of commercial banks in Nigeria, employer of labour should re-sharpen recruitment tools in a way that can identify candidates with internal work locus of control for appointment. Management of Commercial Banks in Nigeria should equally organise training programs that can boost employees' internal work locus of control for employees already on the job with a view to enhancing employees' performances. Such training modules should also form part of the Staff orientation programmes for employees that are newly recruited with a view to enhancing development of internal work locus of control and by extension, boosting employees' productivity.*

**Key words: Commercial banks Job involvement, Work locus of control, Commercial Banks.**

### INTRODUCTION

The increasing competition among commercial banks in Nigeria and all over the world had challenged the status-quo of the banking sector in Nigeria. Some recent studies have attributed this development to forces of globalization, deregulation and information technology [Oyejide, Adekanye and Abanihe- Isiugo,2004].

Performances in banking sector could be predicted by many factors; some factors may be related to work issues such as policy issue, business environment, liquidity ratio and other related issues.

In 2015, the federal governments of Nigeria passed the Banking Reform Act and strengthen the Banking sector operations in Nigeria. However, while this impacted significantly on structural and operational issues, not much was done on the employees' characteristics and job involvement of commercial bank workers.

The involvement of the employees in the organisational setting is critical to organisational performance and sensitive to human resource practices employed by management. For instance, while management make policies, employees implement the policies in accordance with management vision and objectives. How well these policies are implemented is partly dependent on how employees disposition especially their Job Involvement. Employees therefore constitute an inter-face between the organisation and the customer. On one hand, employee they carry and portray the image of their organisation and so create impression in the mind of their prospective Customer. The type of impression created may determine whether or not the prospective Customer will patronize the organisation and sustain the patronage. It may also determine the strength of the relationship the prospective customer will



have with the organisation. The recent Banking sector Reform in Nigeria, no doubt solve a number of structure and operational problems.

For instance the Banking Reform Act brought bank consolidation the assumption of the banks sector Act 2005 was that when equity of commercial banks are increased to twenty five billion naira[#25B] and wastage through duplication of facility and infrastructure are reduced, Bank performance will be improved. However, studies have shown that, to have sustainable growth in the Banking sector both policy issues and employees factor have to be addressed but sufficient attention has not been paid to employees' factor that may impede the growth and progress of Commercial banks in Nigeria. Adjabeng [2012] reported that employees' psychological factor such as work locus of control exerts influence on Job Involvement of the employees. He argued that, individual vary greatly on psychological disposition to work issues, task, and events in working setting. Thus, he advocated for right combination of employees attributes in other to achieve organisational goal. Therefore, this study is set to investigate the influence of employees' work of locus of control on job involvement of the commercial banks in Nigeria, with a view to improving organisational productivity.

### **Theoretical Perspective**

People's social attitudes do affect how they identify a particular person and also whether the evaluation of other individual is positive or negative. People's attitude also influences their feeling about a person's capacity to control the environment as well as assessment of the cause of other people's behaviour [Causal Attributions] [Staw, 1986].

There are two broad types of causation which distinguish attitudes towards others: These are Internal and external causation .Tosi, Mero[2003] argued that people make internal attributions when they attributes responsibility for someone's behaviour [or outcomes resulting from the behaviour] to the stereotypic characteristics of his/her personal identity attributes or for example, in the organisation setting , an internal attribution may come in when Job Involvement of some employees are attributed to intelligence, ability, capacity, experience etc and external attribution if we attribute low Job Involvement to situation an circumstances outside the employees personal attribution such as luck, task, reward system etc. Jaramillo, Mulki and Boles [2011] explanations. They contended that there are three possible sources of explanations for a behaviour or an outcome it produces: the first is the internal which is the person's characteristics, the second is the external and often referred to as environmental stimulus, while the third is the circumstances/ situation surrounding the person's encounter with stimulus. The question, however is how do people do choose among the three causes? Jaramillo et al [2011] further advocated that people often depend on three kinds of attribution rules: Consistency, Distinctiveness, and Consensus.

Consistency talks about whether the person has responded similarly to the same stimulus in the past. For example, were the entire employee's work-performances low, or were they showing high performances until recent banking sector reform? If the previous performances were poor [high consistency], employee's poor work performance we can attribute this to his/her low ability or difficulty in the job schedule.

Distinctiveness, on the other hand, concerns whether the person responds the same way to other stimuli as well. For instance, did that particular employee exhibit poor job involvement, in most of his/her work roles outside banking? If this is true on similar roles [low distinctiveness], we can then attribute the low organisational job involvement to lack of ability. On the other hand, if the organisational job involvement is dissimilar to the performances on the roles elsewhere [high distinctiveness], we are less likely to attribute this poor Job Involvement to the ability of the employee and more likely to conclude that post banking reform duties are very difficult.

Consensus is the third rule advocated by Jaramillo et al [2011]. This rule examines whether most people behave the same way to the stimulus in question or the behaviour is peculiar to the individual person alone. If most people behave the way the individual in question respond



to stimuli, then we have a 'high consensus' while a 'low consensus' is a situation where most people performance did not respond the same way. For instance, we may wish to know if most employees of commercial banks are less involved in their jobs and therefore demonstrate low performance.

Thus, Jaramillo et al [2011] suggest that people's attribution rule indicates internal causality under conditions of high consistency, low distinctiveness and low consensus.

However, they cautioned that before we use these rules they must have information on consistency, distinctiveness and consensus before we attribute the cause or causes to behaviour.

Weiner [2002] also worked on attribution theory, with focus on achievement. He identified ability, effort, task difficulty and luck as the most important factors affecting attributions for achievement. He classified attribution along three causal dimensions: Locus of control, Stability and Controllability. The Locus of control dimension has two poles of internal versus external locus of control while the stability dimensions focuses on whether causes change over time or not. Controllability distinguish the cause that one control such as skill, efficacy from causes one cannot such as aptitudes, mood and luck. Ability too, according to Weiner, can be classified as stable, internal cause, while effort could be differentiated into unstable and internal.

For instance, employees with internal work locus of control, may not exhibit high job involvement. Also, the stability dimension which focused on whether or not the cause of banking reform the employees may not be involved in their job. As for controllability, the theory proposes that if the cause of banking reform attributed to such things as low skills, ability and efficacy of the employee, then it may be controlled and enhanced, thereby securing high job involvement. If on the other hand, it is due to such things as the mood aptitude and luck on the part of the employees, it may not be controlled.

Attribution theory has been used to explain the difference in motivation between in motivation between high and low achievers. For instance, high achievers will approach rather than avoid tasks related to succeeding because they believe success is due to high ability and effort which they are confident of. They think failure is being caused by bad luck. Thus, failure does not affect their self-esteem but success builds pride and confidence. On the other hand, low achievers avoid success-related activities because they tend to either doubt their ability or assume success as related to luck or "who you know" or to other factors beyond their control. Thus even if they are successful, it is not as rewarding to the low achiever because he or she does not feel responsible, it does not increase his or her pride and confidence.

### **Hypothesis**

In this study, it was hypothesized that, employees work locus of control, will significantly predict job involvement of employees of commercial banks in Nigeria.

### **METHODOLOGY**

Multi-stage sampling procedure was used for this study and this allows for the use of different sampling method for every stage of sampling decisions. For instance purposive sampling method was used for selecting commercial banks in Nigeria, while random sampling method [balloting technique] was used for selecting ten banks that participated in the study. From the list of branches of the selected banks, 72 branches were selected using quota sampling method while employee that took part in the study were selected using accidental sampling method.

One thousand and two hundred (1.200) participant were randomly selected from ten randomly selected banks for this study. One hundred participants (8.3%) was drawn from Mainstream bank, 90 (7.5%) from Ecobank, 60 (5%) from First City Monument bank (FCMB), 200 (16.7%) from First bank Plc, 180 (15%) from Access bank, 60 (5%) from Bank PHB, 180 (15%) from



Skye bank, 90 (7.5%) from Stanbic IBTC bank, 180 (15%) from United bank from Africa and 60 (5%) from Unity bank.

We administered survey questionnaire on full-time employees of the selected banks and excluded the contract staff. This was due to the fact that mode of employment had been found to influence job involvement of employees. The ages of the participants ranged from 21-45 years ( $\bar{x}$ =30.2,  $SD$ =6.60). The participants consist of 755 (62.9%) male and 445(37.1%) were female. Four hundred and eighty (480, 40%) were married, 672 (56%) were single, 24 (2%) separated, and 12 (1%) widowed. Two hundred and forty (240, 20%) had ordinary level certificate or its equivalent, 444 (37%) had OND or its equivalent, 480 (4%) possessed HND/BA/BSC, while 144 (12%) had MBA/ICAN or its equivalent. Six hundred and ninety six participants (696, 58%) have worked for between 6 months and 5 years, 444 (37%) have spent between 6 and 10 years while 84 (7%) have spent more than ten years in the banking employment.

**Measures**

For all survey measures, respondent indicated their level of agreement with each survey item on a scale with response ranging from strongly disagree with a score of 1, to strongly agree with a score of 5.

Job involvement of the respondent was measured using job involvement scale (JIS) developed by Kananga (1985). JIS is a 10 item scale while examined the extent to which an individual employee is personally involved with his/her work role. A coefficient alpha of 0.71 was reported for this scale 0.83 was reported for this scale. The work locus of control of the respondent was assessed using work control scale developed by Spector [1988], with a coefficient alpha of 0.83.

**RESULTS**

Table 1: Summary of the stepwise multiple regression analysis showing the independent and joint predictive strength of work locus of control and need satisfaction at work on job involvement of employees of commercial banks in Nigeria.

Model	Variables	Beta	T	P	R	R <sup>2</sup>	F	P
1	WLOC	.37	13.782	<.001	.37	.14	189.933	<.001
2	WLOC	.33	10.914	<.001	.38	.15	101.194	<.001
	NSW	.10	3.300	<.001				
3	WLOC	.32	10.862	<.001	.39	.16	69.362	<.001
	NSW	.10	3.253	<.001				
	SE	.06	2.240	<.001				

The result in table 1, model 1 showed that when job involvement was regressed on work locus of control [WLOC], WLOC accounted for 14% of the job involve [ $R^2=14$ ;  $F=189.933$ ;  $P<, 05$ ]. This implies that WLOC positively contributed and predicted job involvement of the employees of commercial banks in Ibadan, Nigeria.

**DISCUSSION.**

This study set out to investigate the relationship between work locus of control and Need satisfaction at work on job involvement of employees of commercial banks in Nigeria. This became expedient in view of the quest by Nigerian government for improved banking sector performance as a catalyst for accelerated economic growth. This study reveals a significant positive relationship between employees work locus of control and job involvement. Following from the fact that, employees expresses two contrasting attributes of locus of control; the internal and external, our findings revealed that, employees who have internal



work locus of control demonstrated higher job involvement than employees with external work locus of control.

This findings reinforce the idea that, employees who have confidence in their ability and competence at work believed that they can determine the outcomes of their work by getting more involved in the job. The prevailing work situation or situational vagaries of the banking sector operations does not constitute a determinant for their performances nor its outcome. Conversely, employees with external work locus of control demonstrated poor confidence in their ability and lack of competence in discharging their duties. Thus, they often rely on luck "God "Fatherism" for the outcome of their performance as well as blaming factors such as task difficulty, work environment and the likes for their failures.

These two opposing stand point held by employees of commercial banks have implications for their job involvement as revealed in this study .On one hand, it has implication for the work behaviours of the employees particularly in areas of the type of task and the quality of task performance, regularity at work, commitment to work and work ethics and the likes .On the other hand ,it also inform the perception of employees organisational rewards and compliance with some management practices. While employees with internal work locus of control exhibited good work behaviour such as promptness to duty , commitment to task achievement and objectively evaluating management policies, practices as well as reward system of the organization, employees with external work locus of control demonstrated poor work behaviour such as absenteeism, truancy, and the likes.

In the same vein, this study revealed that, need satisfaction at work indicated significant positive relationship with job involvement. In other words the needs that employees want to satisfy by enrolling in work setting determined to a large extent, their job involvement. It follows from the findings of this study therefore, that employees who experienced satisfaction of most of their needs demonstrated higher job involvement than employees who did not experience satisfaction of their needs.

This findings is consistent with the assertion of Maslow (1943) that human needs exert considerable force towards an exhibited behaviours and until the associated needs are satisfied a state of disequilibrium will exist. He furthers his arguments by advocating for proper identification and satisfaction of human Needs in order to 'enjoy' the best of human performance.

Taken together, the findings of this study revealed that, work locus of control and need satisfaction at work are jointly positively related to job involvement of employees of commercial banks in Nigeria. Employees with internal work locus of control experienced higher need satisfaction at work and demonstrated greater job involvement than employees with external work locus of control and recorded low need satisfaction at work. Thus, management of commercial banks in Nigeria should device strategies to reactivate the internal work locus of control of the employees and evolve practices that will guarantee satisfaction of employees needs at work in order to achieve employees job involvement.

## **CONCLUSION**

The result revealed that, job involvement was positively related to employees' psychological attributes such as work locus of control. This finding was consistent with the researcher contention that work locus of control is an important factor that can enhance the performance of the banking sector. The findings of the studies indicate that, employees who has internal work locus of control demonstrated greater job involvement than employees with external work locus of control. This submission was consistent with the views of Miiler, Brickman and Bolen [1975] that in certain situation lack of control can lead to a quiet different psychological state known as reactance. They argued that the initial response to uncontrollable outcomes is an increase in motivation and performance in order to attempt to regain control.

The study contributes to the literature on how to improve the operation and performance of commercial banks in Nigeria in particularly in the area of employees work attitude and



attributes, The study focused on employees work locus of control and Job Involvements in commercial banks in Nigeria. All the psychological characteristics considered [work locus of control, self –efficacy and need satisfaction at work] were found to be positively correlated with job involvement, suggesting that, work locus of control is as strong predictors of employees job involvement. Further research on the subject matter should assess whether contract or casual employees exhibit a similar pattern of job involvement on work locus of control. In summary, the result of the current investigation demonstrated that. work locus of control influences their job involvement and by extensities influences significantly affect organisational performance of commercial banks in Nigeria, wish to encourage future reforms in Banking sector to considered very strongly employees psychological factors in formulating policies and strategies towards improving banking sector performances.

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