

Casualization of Labour in Nigerian Banks and its Implication on Human Resource Management.

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Abstract

Casual employment is identified with a significantly large category of workers being treated in a manner that undermined human resource management in Nigeria. Many casual workers do same work as permanent workers and are treated as inferior in terms of rights and conditions of service, despite working regularly for the same employer. The banking sector is of interest to this study. The objectives of this study are to examine the cause of casual employment, ascertain the effects of casualisation of workforce on the human resource management, and recommend solutions to end casualisation of workers in Nigeria. The paper employed the use of secondary data for its analysis. It was observed that casualization resulted from globalization, weak legal framework, condition of the labour market and profit maximization objective of the banks. It was also discovered that casualisation affect the morale, commitment and overall productivity of employees. The paper recommended that government should create minimum standards for employment of labour, enforce the existing law on casualisation, put in place policies, programmes and relevant labour laws aimed at discouraging casualization and consistently improving the labour regulation to embrace the reality of modernization. Workers need some sense of security in their workplace, so employers of contract staff should treat them like humans, offer casual employees the benefit of rights at work and be allowed to work with dignity. The need for vibrant trade unions to organise, and represent casual workers interest by exploring new strategies that will produce result and put an end to the plight of casual employees.

KEYWORDS: Casualisation, Employees, Human Resource Management, Nigeria.

Introduction

Casualisation of staff is prevalent in Nigerian banks. The rate at which banks' use casual workers for cost-cutting and profit maximization objective has received attention. Banks in an attempt to cut down their operating cost, resort to employment of contract staff at the expense of permanent staff (Bukola, 2019). This development is worrisome and it is capable of threatening human resource management if it is not curbed.

Casual employment is a form of employment that affords the workers limited choices than any flourishing of choices for people at work (Bamidele, 2017). The filling of permanent positions by casual employees is on the increase. The report showed that, out of estimated 101,861 in banking industry workforce, about 43,955 workers, representing 43.2 per cent are currently "casual workers", under the guise of contract staff (Bamidele, 2019). Furthermore, (Bamidele, 2019; Bukola, 2019) revealed that more banks pursue the option of increasing contract staffing, as opposed to full employment, in order to control cost, avert risk and for flexibility.

Statement of the Problem

Workers in casual employment suffer a substantial deficit in their rights and benefits, when compared with employees in standard 'permanent' employment. Casual workers are more predisposed to practices such as summary dismissal, variation in hours and schedules, arbitrary treatment, underpayment, and lack of promotion. These shortcomings may not have much effect in the short-term, but the results may be worse when employees remain in casual jobs for longer period of time. This affects their morale, commitment, and overall productivity.

Combating the negative effects of casualisation poses a major challenge to human resource managers in the contemporary time.

The objective of the Study

The study attempts to cover the following;

- examine the cause of casual employment
- The effects of casualisation of the workforce on the human resource management.
- Recommend solutions to end casualisation of workers in Nigeria.

Significance of the study

This study will be of immense benefit to policymakers and government by furnishing them with information that will enable them to create minimum standards for employment of labour, enforce the existing law on casualisation, put in place policies, programmes and relevant labour laws aimed at discouraging casualization and consistently improving the labour regulation to embrace the reality of contemporary time .

Methodology

The study basically relied on secondary data collected through different publications and archives such as the international agencies reports, news items, texts, journals, magazines, Newspapers, Bulletin and the internet.

The Concept of Casualisation of Work

The casualization of labour in Nigeria is assuming an alarming dimension. Casualisation of employee is on the increase as unemployment and high rate of poverty is making employees not to be cautious about the types of employment offers, they accept. This was in line with the findings of Anugwon (2007), that casual employees are filling positions that are permanent in nature due to their vulnerability in Nigeria, which resulted from the high rate of unemployment and poverty. Globalisation and economic meltdown has made work environment so complex that job seekers in desperation accept any offer, just to keep body and soul together. Casualisation connotes the spread of bad conditions of work including employment insecurity, irregular hours, intermittent employment, low wages and an absence of standard employment benefits (Basso, 2003). According to O'Donnell (2004) casual jobs are mostly, jobs that attract an hourly rate of pay with very few rights and benefits, such as the right to notice, the right to severance pay and most forms of paid leave (annual leave, public holidays, sick leave, etc.), which normally accompany 'permanent' (or 'continuing') jobs for employees.

Casual labour referred to the employment of workers for a specified period of time and during the period of that organizations want to temporarily increase production to meet high product demand, they are called to supplement full-time workers. Casualisation refer to non-standardised and temporary employment relations such as temporary work; fixed-term contracts, seasonal work and outsourcing/subcontracting. The concept of casual employment is directly linked to absence of benefits and rights within the legal structure supporting employment. Some casual workers are employed directly by the company and some are supplied through outsourcing and subcontracting arrangement. Some services such as sales, cleaning, transport, and security are subcontracted in banks.

In some cases, entire activities or part of the business activity are outsourced. Market restructuring and globalization in the banking sector is a major factor behind the consistent increase in casualization. This has made employment market to embrace some level of flexibility. Cheadle (2006) suggest that there are three kinds of flexibility: employment flexibility (the freedom to determine employment levels quickly and cheaply), wage

flexibility (the freedom to alter wage level without restraint), functional flexibility (the freedom to alter work processes, terms, and conditions of employment, etc. and cheaply). Some employers desire the freedom to pay low wages, change the number of workers and how and when work is conducted. The demand for flexibility is linked to the corporate restructuring in many sectors of the economy as trade liberalization has ushered in an era where local economy is opened up to competition from outside the region. Due to this organizations resort to casual and flexible labour.

Factors Influencing Casualisation

1. Economic factors:

Employees vulnerability in the workplace is, as a result, the high levels of unemployment and accompanying poverty. Poverty has bred a dangerous work environment where many desperate job seekers in the labour force are willing to take any job for survival purposes rather than dignity (National Labour and Development Institute 2006). This is a big challenge for trade unions in their pursuit to protect and advance workers' rights and foster healthy work-life. In a tight labour market characterized by mass unemployment and few employment opportunities, young women feel compelled to take these jobs. Research shows that access to a job does not provide a ladder out of poverty. The poor wages paid to casual workers trap them in, lift them marginally out of poverty.

2. **Legal Framework:** the challenge of casualization in Nigeria is not that of availability of law but that of will on the part of government to enforce the available laws and see to the accomplishment of its mandate.
3. **Capitalism:** business organizations are set up to achieve the objectives of the business owners. Organizations seek to produce want satisfying goods and services at a cost. The amount retained after all expenses have been paid is the profit. The capitalist seeks to maximise profit at any given time. This they pursue by ensuring that all items of expenses are screen to reduce to the minimum every item that can obstruct the profit maximization objective, in which the compensation paid to the workers are no exception.
4. **Globalization:** Globalisation and information technology, has reduced the world to a global village where available employment options are on the decrease as employment opportunities have many contenders from the different parts of the world. Making more people to pursue fewer employment opportunities. The more the number of people that are pursuing fewer vacant positions the lesser the price that business owners will be willing to pay as compensation. Thereby making them to consider casualization as an option. This will make them able to acquire and dispose labour at little or no cost. Most of the time, management takes advantage of this situation to exploit the average worker in order to maximize profit.

Implication Of Casualisation On Human Resource Management

Casualisation of employees may portray an outcome for some stakeholders but it definitely has its attendant effects on the human resources of an organization. They are discussed below:

1. **Compensation:** Employees that have been working as a contract employees for decades years in the organization will be getting apprehensive about what the future holds for them. They do not know if their contract with the organization will be renewed or not, and even if the contract is renewed, their salary may not be better off. This impact negatively on the morale of the employees thereby reducing productivity.

2. **Employee Commitment:** Some struggled endlessly to ensure that their employment become a permanent one but their aspiration seems to be a mirage. To make matters worse, the organizations often threaten its entire contract staff with termination of appointment at any given opportunity. When the security of their job is threatened, they are may not be committed to their duties and to the organization.
3. **Employee Turnover:** Casual workers are always eager to secure good jobs with better conditions elsewhere. When such jobs are not easily come by, they are compelled to retain their current jobs, even when the working conditions are not favorable. This made them to be on the lookout for a better offer, and when they eventually get one, they are quick to resign and leave the organization which manpower shortage even if it is temporary the organization will be momentarily unstable.
4. **Insecurity:** Casualisation of workers breeds a situation of insecurity which has negative effects on the commitment of both the permanent and casual employees alike. Most contract employees are always in perpetual fear, as termination can come when not expected and with the slightest mistake. The permanent workers are threatened, as casual workers can take over their roles at a lesser cost to the organization which they may embrace at any time.
5. **Trade Unionism:** In order to prevent effective opposition from victims of outsourcing, the management of the organization and outsourcing companies ensure that contract staff does not engage in unionism. This will affect their sense of belonging in the workplace and reduce their productivity.
6. **Collective bargaining:** this is an instrument used by workers, represented by their unions, to secure a better condition of service for their members. The casual workers are not allowed to unionise. This limits their ability to negotiate with employers and get a better condition for their employment. This will affect their ability to satisfy their social needs thereby hampering on motivation and productivity.
7. **Deskilling:** this is a process of elimination skilled labour within the workplace by employing technologies that can be operated by the semiskilled or the unskilled personnel. Casualisation has made jobs to become routine and no longer require skilled individuals to perform them thereby threatening the security of job of the permanent workers

Conclusion

An increase in casualisation of workers in Nigeria banking sector is assuming a human resource management threatening dimension. There are jobs that are short term in nature, but keeping a worker for up to 15 years as a casual worker, is nothing short of 'slavery' and should be condemned in its entirety. This will affect the morale of the employee and result in low productivity which will not be in the interest of the employee, the organization and the nation at large.

Recommendations

The expansion in casual employment has spread across all sectors, industries, and occupations. Casual employment is linked with income and employment insecurity. There are a number of ways in which the insecurity associated with casual employment could be reduced. The following are the recommendations of this study:

1. the government should create minimum standards for employment of labor, enforce the existing law on casualization, put in place policies, programmes and relevant labor laws aimed at discouraging casualization and consistently improving the labor regulation to embrace the reality of modernization.

2. Workers need some sense of security in their workplace, so employers of contract staff should treat them like humans, offer casual employees the benefit of rights at work and be allowed to work with dignity.
3. The need for vibrant trade unions to organise, and represent casual workers interest by exploring new strategies that will produce the result and put an end to the plight of casual employees.

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