

MANAGERIAL SUPPORT AND DEPOSIT MONEY BANKS' EMPLOYEE STABILITY IN PORT HARCOURT

ASIEGBU, IKECHUKWU F., PhD.

Department of Marketing
Faculty of Management Sciences
University of Port Harcourt.

And

OKWUDU, AMUAMUZIAM ANDREW

Department of Marketing
Faculty of Business Administration
University of Uyo.

Abstract

This empirical study aimed at determining the influence of managerial support on deposit money bank employees' stability in Port Harcourt. It was observed that the high competent staff of these banks switches from one bank to another. This makes the banks carry out incessant recruitments. This paper was, therefore, interested in ascertaining if managerial support can be employed to reduce the incidences of instability among these bank staff. Primary data collected from 147 experienced employees of the participating banks, were analyzed using Spearman's Rank Correlation. A strong positive relationship was found between managerial support and bank employee stability. Based on this, we recommend that Deposit Money Banks in Port Harcourt that desire the willingness of their competent employees to stay with them and be stable should emphasis managerial support. Managements of Deposit money banks must acknowledge the contributions of their staff if they desire them to be stable. In this regard, managerial support becomes a sine qua non.

Keywords: Managerial support, contact employee stability, employee morale, employee continuance commitment, employee turnover.

Introduction

Satisfying external customers largely depends on satisfying employees (Schultz, 2002; Kotler, 2000), and internal marketing programs can a source of satisfying employees more than competitors (Al-Qudah *et al*, 2013). Internal customer can be used to achieve quality improvement and cost reduction (Davis, 1991). Where internal customer care is apparently under-emphasized or overlooked, quality is most often compromised for short-term cost-savings. It, then, becomes necessary to use strategic orientations such as employee-focused marketing programs to overcome the adverse effects of downsizing. Internal customer service programs, and the processes involved in providing them, as well as their continuous improvement, are most likely to affect the external customer satisfaction, and, hence, business performance. Based on this, we argue that an organization can engage stable workforce, a source of competitive advantage, to achieve sustainable external customer satisfaction, and a consequential quantum leap in business performance. Further, we argue that realizing employee stability, largely, requires effective managerial support.

Rivers State, in the recent past, has witnessed an unprecedented rise in banking activities with attendant competition among the banks. In an intense services sector, organizations, such as deposit money banks, require adequate managerial support to achieve a competitive advantage, as well as human resource asset, such as stable customer-focused contact employees, for long-term corporate effectiveness.

In the face of the attendant keen competition among Deposit Money Banks in Port Harcourt, experienced, and competent bank employees can enable a bank enhance its competitive position. Bank workers switch banks incessantly. However, there is a clear evidence of instability among customer-contact employees' in banks, in terms employee turnover. This competition made has made keeping bank staff a serious problem to the banks. According to Kinicki, Carson and Bohlander, 1992; and Schneider, White and Paul, (1998) argue that managerial support, such as "good working conditions are generally considered as a pre-requisite for good service quality as employees perform better when organizations create a climate of concern and caring". We are, therefore, inclined to believe that if bank employees receive proper managerial support they will most probably want to stay and work for the banks. Based on this notion, this study aimed at determining the extent to which managerial support influences customer-contact employee stability.

Theoretical Foundation and Hypotheses

Wood and Robertson (1997) views strategic orientation "as the specific managerial perceptions, predispositions, trends, motivations and desires that precede and guide the strategic planning and the development process and, ultimately, the direction in which the organization evolves." Naghi and Para (2014) consider internal market orientation of the organization as an aspect of strategic orientation. We view stable customer-contact employees as a bundle of resources in service industries, such as banking. We are of the opinion that having customer-contact employee stability on ground for better competitiveness, in the Deposit Money Banking Sector in Port Harcourt, can be achieved by putting in place good managerial support for the staff.

Customer-Contact Employee Stability (CES)

Customer-Contact employee stability means frontline employee's willingness to stay on their jobs, and would not be willing to leave. Appropriate managerial support can yield positive outcomes to firms, such as banks. It is the view of this study that worker-focused programs have the capacity to make the employee stable. It argues that a stable customer-contact employee will most likely exhibit high morale, be willing to continue to stay, and this will result in low worker turnover.

Employee Morale

Employee morale describes his or her level of enthusiasm toward his or her job, which in turn, depends on his or her level of job satisfaction. Seroka (2009) defines employee morale as "the general level of confidence or optimism experienced by a person or a group of people, especially if it affects discipline and willingness", rather than coercion. Employee turnover refers to "the movement of employees out of an organization" (Bohlander et al, 2001). Employee commitment is conceptualized "as the extent to which an employee is emotional attached to an organization" (Carruna and Calleya, 1998).

Managerial Support and Contact Employee Stability

The primary functions of sales people are order getting, order taking, order delivery, sales support, and selling products (Farner et al 2001, Dalrymple et al, 2004; Futell, 1991, Asiegbu, 2012). Johnston et al (1990) describes “managerial support as the degree in which managers develop a work environment characterized by psychological support, assistance, friendship, mutual trust and respect”.

According to Locke & Schweiger, 1979; and Wagner, (1994) participation is “a process by which influence is shared among individuals who are otherwise hierarchical unequal”. Empowerment is “enabling employees make decisions” (Bowen & Lawler, 1992). It is “a personal experience where individuals take responsibility for their own actions” (Pastor, 1996). Kinicki, Carson and Bohlander, 1992; and Schneider, White and Paul, (1998) argue that “good working conditions are generally considered as a pre-requisite for good service quality as employees perform better when organizations create a climate of concern and caring”. Holman (2002) observes that “frontline employees who are clear about their roles are more likely to deliver better service quality than those who perceive role ambiguity”. Based on this review, we hypothesize as follows:

- H₀₁:** There is no significant relationship between managerial support and employee morale.
- H₀₂:** There is no significant relationship between managerial support and employee turnover.
- H₀₃:** There is no significant relationship between managerial support and employee continuance commitment.

It is a causal study, and we are adopting the cross-sectional survey research design.

This study involves 21 Deposit Money Banks approved by Central Bank of Nigeria (CBN) that are operating in Port Harcourt as at the time of data collection. This list was obtained from Central Bank of Nigeria Stability Report (2013). Ten copies of the questionnaire will be hand-delivered to different branches of these banks to be completed by their customer-contact employees. A total of two hundred and ten (210) copies of the questionnaire will be sent out to the various branches of the deposit money banks in Port Harcourt.

Data Analyses and Results

This study entail collected primary data from customer-contact employees of the 21 Deposit Money Banks operating in Port Harcourt, using questionnaire. We used Spearman’s Rank Correlation to test our hypotheses. The validity of the measurement items in this study have been ascertained in previous studies (Zeng et al, 2011). The reliability of the variables’ measurement items was tested using Cronbach Alpha, and Nunnaly (1978) 0.7 Alpha value recommendation will be our benchmark.

The result of the correlation test is shown in Table 3.1. Employee Morale and Managerial Support (MS) indicate a Pearson’s r of 0.748** and ρ -value of 0.000. Employee-Turnover and Managerial Support (MS) indicate a Pearson’s r of 0.692**, and a ρ -value of 0.000. Employee Continuance Commitment and Managerial Support (MS) have a Pearson’s r of 0.657**, and a ρ -value of 0.000. These results make this paper accept the alternate hypotheses of the study.

Table 1: Results of Correlation analyses between symbolic internal marketing programs and customer-contact employee stability, their variables, and Job Mobility

Variables	Statistics	Customer-Contact Employee Stability	Employed Morale	Employee Turnover	Employee Continuance Commitment
Managerial Support (MS)	Pearson Correlation	.779**	.748**	.692**	.657**
	Sig (2-tailed)	.000	.000	.000	.000
	N	147	147	147	147

Source: SPSS Output on Survey Data, 2016.

Strong Positive Relationship between Managerial Support and Customer-contact Employee Stability

The results reveal that managerial support strongly influences customer-contact employee stability. The three hypotheses stated in this regard (H_{a1} , H_{a2} and H_{a3}) indicate significant positive relationship between these two variables. It makes much sense to argue that managerial support have the potential to motivate the employees and make them improve their skills, abilities and behaviors, which in turn, positively influence their decision to remain in the organization.

Organizational effectiveness hinges on the level of motivation managers give to their subordinates. To improve the service quality of an organization, motivation of employees is quite apt and germane. Internal marketing is essential in the attraction, retention, and motivation of employees. In the light of this, Lings and Greenly (2005) maintain that internal marketing can be used to encourage and motivate employees, to provide better service and customer satisfaction.

To be poised for optimum performance, employees demand regular recognition, acknowledgement and attention, in form of participation in decision making, timely appraisal, promotions, and appreciation by management (Catalin et al, 2012).

Conclusion and Recommendation

- (a) We, conclude that managerial support influences customer-contact employee stability of deposit money banks, which is indicated in their employee morale, turnover and continuance commitment.
- (b) The influence of managerial support on customer-contact employee stability is mostly evidenced in employee morale, followed by employee continuance commitment, and lastly, employee turnover.
- (c) The influence of managerial support on customer-contact employee stability is evident, almost in equal magnitude, in employee turnover and employee continuance commitment. It does not influence employee morale.
Internal customers represent the banks. Thus, emphasizing on giving support to internal customer well-being will likely result in attracting and retaining external bank customers.
- (d) Based on our conclusions, we recommend that since the level of managerial support determines the stability of bank employees, Deposit money banks in Port Harcourt that

desire the willingness of their competent customer-contact employees to stay with them and be stable should emphasis managerial support. No doubt, internal customers can help deposit money banks create competitive advantage, by making them improve their customer and bank relationships. Managements of Deposit money banks must acknowledge the contributions of their staff if they desire them to be stable. Managerial support is a *sine qua non*.

References

- Al-Hawary, S. I. S., Al-Qudah, K. A. M., Abutayeh, P. M., Abutayeh, S. M. & Al-Zyadat, D. Y. (2013). The Impact of Internal marketing on Employee's Job Satisfaction of Commercial Banks in Jordan, *Interdisciplinary Journal of Contemporary in Business*, 4 (9), 811-826.
- Asiegbu, I. F. (2012). *Modern sales management, A Result-oriented approach*, Port Harcourt: M&J Grand Orbit Communications Ltd.
- Bohlander, E., Snell, S. & Sherman, A. (2001). *Managing Human Resources*_(12th ed.). London: South Western College.
- Bowen, D. E. & Lawler, E. E. (1995). Empowering Service Employees. *Sloan, Management Review* 36:73.
- Caruana, A. & Calleya, P. (1998). The effect of internal marketing on organizational commitment among retail bank managers, *International Journal of Bank Marketing*, 16(3), 108-116.
- Catalin, V., Smaranda, C. & Aurelian, S. (2012). Strategic marketing and management tools used to increase employee efficiency. *Procedia Economics and Finance*, 3, 877-882.
- Clarke, J. A. (2014). What a performance! The influence of call centre workflows on workers' skills and emotional wellbeing. *Journal of Organizational Ethnography*, 3(2), 259.
- Dalrymple, D. J., Cron, W. L. & Decarlo, T. E. (2014). *Sales Management*, Eight Edition, New Jersey: John Wiley and Sons, Inc.
- Davis, T. R. V. (1991). Internal service operations: strategies for increasing their effectiveness and controlling their cost, *Organizational Dynamics*, 20 (2), 5-Farner, S., Luthans, F. & Sommer, S. M. (2001). An empirical assessment of internal customer service. *Managing Service Quality*. 11 (5), 350-358.
- Futell, C. (1991). *Sales Management*, Third Edition, Chicago: The Dryden Press
- Holman, D., Chissick, C. & Totterdell, P. (2002). The effects of performance monitoring on emotional labor and well-being in call centers. *Motivation and Emotion*, 26, 57-81.
- Huong, L., Zheng, C. & Fujimoto, Y. (2016). *Inclusion, organizational justice and employee well-being*, *International Journal of Manpower*, 37(6), 945.
- Johnston, M.W. Parasuraman A., Futrell, C. M. & Black, W.C.A (1990).
- Kinicki, A. J., Carson, K. P. & Bohlander, G. W. (1992). Relationship between an organisation's actual human resource efforts and employee attitudes. *Group and Organisation Management*, 17, 135-152.

- Kotler, P. (2000). *Marketing Management*, NJ: Prentice Hall.
- Lings, I. & Greenly, G. (2005). Measuring internal market orientation. *Journal of Service Research*, 7 (3), 290-305.
- Locke, E. A. & Schweiger, D. M. (1979). Participation in decision-making: One more look, *Research in organizational behavior*, 1(10), 265-339.
- Longitudinal Assessment of the impact of selected organizational influences on salespeople's organizational commitment during early employment. *Journal of Marketing Research*; 27(August): 333-344.
- Naghi, R. I & Para, I. (2014). Consequences of the Internal market Orientation of the Organization, *International Journal of Business and Management Studies*, 3(1), 187-198.
- Nunnally, J. C. (1978). *Psychometric Theory*. Second Edition. New York: McGraw-Hill.
- Pastor, J. (1996). Empowerment: What it is and what it is not. *Empowerment in Organizations*, 4(2), 5-7.
- Schultz, (2002). Study Internal marketing for Better Impact. *Marketing News*, 36(21), (October), 14.
- Seroka, J. (2009). Boosting employee morale needs to occur daily, not only during times of crisis. Available: <http://www.hrtools.com/insights> (2010, May, 20).
- Wagner, J. A. (1994). Participation's effects on performance and satisfaction: A Reconsideration of research evidence. *Academy of Management Review*, 19:312-330.
- Wood, V. R. & Robertson, K. R. (1997). Strategic orientation and export success: an empirical study. *International Marketing Review*, 14(6).
- Zeng, L., Proctor, R. W. & Salvendy, G. (2011). Can Traditional Divergent Thinking Tests Be Trusted in Measuring and Predicting Real-World Creativity? *Creativity Research Journal*, 23(1), 24-37.