



Green Employee Empowerment/Engagement/ and Non-Financial Corporate Performance in Deposit Money Banks of South-West, Nigeria

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Abstract

The study examined the relationship between green employee empowerment/engagement and non-financial corporate performance in deposit money banks of South-West, Nigeria. Survey design was used. The study population was the managerial staff of deposit money banks in the South-West of Nigeria with 330 as the sample size. Simple random sampling technique was applied. Structural Equation Modelling - AMOS was used in testing the three (3) hypotheses. The findings revealed that there is a relationship between green employee empowerment/engagement and non-financial corporate performance with the estimate (β) between .136 and .969 in all the three (3) hypotheses and that green empowerment/engagement positively aid the non-financial performance in deposit money banks in South-West, Nigeria. Hence, the study recommended that green employee empowerment/engagement should be embraced to improve non-financial performance like employee satisfaction, operational efficiency, and innovation.

Introduction

Businesses exist for the primary purpose of producing goods and services that satisfy the never-ending needs and wants of consumers or customers for a profit. In doing this, there would be investment/introduction of the traditional four factors of production – land, labour, capital and entrepreneur or what is known in Management parlance as four Ms – Man, Money, Machinery and Material. It must be noted that without labour or man in the fours (4s), the rest three might be helpless. Sule & Ugoji (2013); Ahiauzu (1999) opined that man supersedes technology because majority of what we see around us came into existence as a result of human imagination and thoughts. Perhaps, this is why man's contribution is the yardstick for measuring how an organisation is doing.

The word performance came into the limelight at the middle of the 19th century during a sport competition and by 20th century, it has become a prominent word in organisations and other places of human endeavours Ion and Criveanu (2016). However, if the outcome, result or end-product of human effort to and within an organisation is referred to as contribution of such individual, then, the totality of each individual worker's contribution could be described as performance. Stephen and Mary (2002) as quoted in Charles (2015) described performance to be the accumulated final results that arises from all the job procedures, methods and events. Jenatabadi (2015) once argued that Scholars have not been able to come up with any operational definition for the concept called performance as such any description given by anyone must surely be opposed.

Green empowerment and engagement is an offshoot of employee involvement. While employee involvement is allowing the employee to be part of the decisions making process especially on matters that concern them, empowerment and engagement is trying to win the employees ‘minds and hearts’ and ensuring that they are accepting “ownership” of the organisation by default. Employee empowerment was described as referring to the way organisation allows their workforce to do things that are necessary for their success Tang, et al. (2018). It could also be described as the degree at which organisations allows their workforce to exercise independence and control on their daily work activities Renwick et al. (2012). This involve adding their voices to the improvement processes, creating and managing of new techniques and methods, creating and managing new units with little supervision from the top level echelon of the organisation (Renwick et al, 2012).

Green employee empowerment/engagement was defined by Hollander and Offermann (1990) in Amah (2014) as sharing and delegation of power as well as authority to junior workers. Among the three (3) reasons suggested by Bowen and Lawler III (1995) in Amah (2014) is a higher performance capability that Amah (2014) viewed as the most persuasive, looking at the organisation’s success, productivity and durability.

This study is to briddge the gap in literature as it relates to knowing the relationship of green employee empowerment/engagement and non-financial corporate performance of deposit mmoney banks in South-West, Nigeria. Most other literatures have dwell on one locality or other country. This study will dwell on a geopolitical region that have more branches of all the deposit money banks in Nigeria.

The objectives of the research are (1) Evaluate the relationship between green employee empowerment/engagement and employee satisfaction of deposit money banks in South-West of Nigeria; (2) Ascertain the relationship between green employee empowerment/engagement and operational efficiency of deposit money banks in South-West of Nigeria; (3) Examine the relationship between green employee empowerment/engagement and innovation of deposit money banks in South-West of Nigeria.

Literature Review

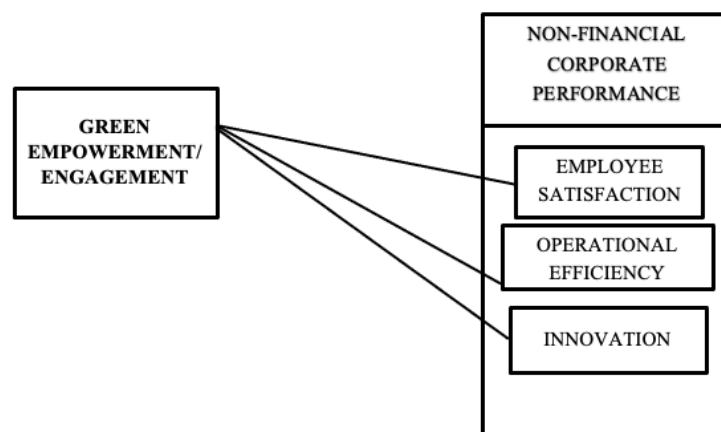


Figure 1. Operational Framework showing the Relationship between Green Empowerment/Engagement and Non-Financial Corporate Performance

Source: Dimensions – Renwick et al. (2012) Measures – Kaplan & Norton (1996, 2001); Danaei & Hosseini (2013); Gupta & Chopra (2016)

Concept of Green Employee Empowerment/Engagement

Adding of the workforce voice to improvement process refers to situation where the employees comes up with new idea(s) on how to improve the process of working and/or making things easier in accomplishing their task. All the management team needs to do is to ensure the idea is being given freely for the purpose for which it was made and empower the employees to go ahead with such noble idea. With such brilliant idea, mostly the organisation can “go home to sleep” because the workforce will ensure the success of the idea which will result to operational efficiency. Not only ensuring the success of the proposal but it will be training ground for most of the employees, an avenue for innovating and a source of employee satisfaction that can earn them recognition within and outside the organisation (Renwick et al, 2012).

Another method is allowing the workforce to create and manage new techniques and methods of doing things in the organisation. This could be a form of innovation to work process or product of the organisation. With the current trend in the business world, companies are applying innovativeness as a competitive advantage to outsmart their competitors in the industry to gain upper hand in distribution and market share. All the organisation need to do is give the employees the free hand to create new techniques and methods of doing something, subject the techniques and methods to proper scrutiny and if pass the reliability test for and of the company, empower them to go ahead with little or no supervision (Renwick et al, 2012).

Finally, according to Renwick et al (2012) is creating and managing new units with little supervision from the top level echelon of the organisation. For instance, having new department to accommodate environmental friendly activities of the organisation is necessary for the organisation to go greening. Once the employees consider it necessary, any disapproval of the new unit might partially spell doom for the organisation in that area as they may not be encouraged to perform effectively and efficiently.

It was emphasised by Renwick, et al. (2012) that for senior managers alone to be committed to any initiative in the organisation does not guarantee success of such programme except there is engagement of more employees. Denton (1991) in Renwick, et al (2012) re-echo it that good policies planning and carrying out of activities are very vital to the success of the initiative but without engaging most employees in such programme, it will appear as putting something on nothing which will definitely collapse like a pack of card. It is, therefore, very paramount for every business to adequately engage their workforce willingly rather than trying to ensure compliance of rules and regulations. With this kind noble attitude of not ensuring rules and regulations compliance, work satisfaction will be facilitated by employees being innovative, improving their skill, achieving operational efficiency easier and faster, and others.

Employee empowerment and engagement comes in different ways like job enlargement, job enrichment and others. Job enlargement according to Carpini & Parker (2016) was described as job expansion horizontally. This is mainly to expand the motivational level the job gives to the employee as a result of the increase in the task variety and number carried out by an employee. While job enrichment was defined by Carpini & Parker (2016) as the vertical expansion of the task and responsibility an employee is charged with basically to fight any encounter and self-rule facing an employee. Job enrichment is allowing an employee to carry out duties of higher level officers while they are at the same level below the designated post for such duties (Saleem et al, 2012). While job enlargement referred to rotation of employees on various positions with extra assignment to be accomplished routinely (Descler (2005) in Saleem et al, 2012).

For job enlargement and job enrichment to be implemented successfully, it requires additional training in skills that are necessary to carrying out such additional responsibilities; access to vital information on which decisions could be made as well as ability of the employee concerned to be able to make use of his/her initiatives and be confidence on his/her capabilities. Some of the benefits of employee engagement and empowerment include increased productivity, costs reduction, quality improvement, and competitive edge over other competitors in the industry. Others are much better employee satisfaction, innovating and attaining operational efficiency.

It was asserted by Saleem et al. (2012) in Sushil (2014) that performance of employees could be improved with increase in the rate of employee satisfaction and this could be achieved with job enlargement and enrichment. Again, Amah (2014) asserted that accomplishment of operational efficiency is easily attainable as a result of engagement of employee. This is because it is a strong motivational tool. Empowerment also facilitates commitment, innovativeness and creativity which will translate into better productivity and performance.

Concept of Non-Financial Corporate Performance

There is lack of trust in the traditional financial accounting procedures to measure performance as most times it does not reveal the true position of the organisation (Hoque & James, 2000; Kaplan & Norton, 1996; 2001; Otley, 2003). With the exposure of the traditional approach shortcomings, non-financial parameters were introduced (Ahmad & Zabri, 2016). Johnson & Kaplan (1987) asserted that non-financial parameters should be used in measuring performance because of its focus on organisations' long term achievement.

Employee Satisfaction

Employee satisfaction had been found to be a strong determinant of individual employees and organisational performance by many scholars. Brayfield & Crockett (1955) in Essien (2002) concluded that the relationship amongst employee satisfaction and performance is concomitant variation rather than cause and effect. It was assumed that individuals are motivated to attain certain goals which achievement result in satisfaction. This is because productivity is at times a goal itself but is commonly a means of goal achievement. High satisfaction and high production can be expected to occur together when productivity is perceived as a means to certain important goals are attained. But Jacob and Solomon (1977) in the same Essien (2002) differ little by asserting that it is only pay and reward systems that are based on performance that can give job satisfaction. Therefore, it is only employees whose pay and reward system are based on performance that would be satisfied with their performance than others paid on an hourly basis.

Some of the symptoms of lack of job satisfaction according to Sule et al. (2015) include absenteeism, poor performance, labour turnover, poor attitude and sabotage. For absenteeism, it is unwillingness to be present at work either with flimsy excuses or any other means; poor performance could be work to rule attitude or withdrawal of interest in the work which will result in productivity that is below the minimum standard. Note that absenteeism is still better than presenteeism where employee comes to work but will not contribute anything meaningful to the job. Poor attitude include but not limited to uncooperative attitude to co-workers, the non-chalant behaviour, and disruptive attitude to anything that have to do with the firm. Sabotage is assuming the role of every good thing's destroyer in an organisation.

Operational Efficiency

The concern of operation efficiency according to Chen (2001) is how best to utilise material and human resources of the firm or how best to put into use fund, human, machinery and materials to boost production of goods and or services at reasonable reduced cost of production. Olarewaju (2016) opined that operational efficiency concept is important for the survival of banks as provider of services that overhead as their main expenses and it must be noted that this singular reason made operational efficiency as the most crucial risk that are faced by banks and other financial institutions. According to Eferakeya & Erhijakpor (2020), activities in financial institutions, especially, the banks are important to every nation's economy and at the same time, the important tool in achieving economic stability through favourable financial and monetary policies.

It was opined by Banu (2019) that the state of bank's operational efficiency dictates the survival or demise of the sector. This is derived from the definition that it is technique and skill of making the best out of resources made available for operation. The ability to combine the four Ms (men, material, machine and money) to derive the highest level of productivity is termed operational efficiency in service providing firms. Banu (2019) and other scholars had agreed that banks efficiency is a determining factor of nation's economy productivity.

Innovation

Innovation as a concept tries to describe the ability to invent and or discover new way of doing something or new thing different from what was known before. Porter (1996); Amabile (1996); Harrison and Hunting (2000) as cited in Price et al. (2013) defined innovation as successfully implementing any creative knowledge and or idea that could lead to finding solutions to challenges which impede the income and effective management of any organisation and or industry. The Small Business Administration of USA in Price et al. (2013) added that it is simply the process that commence with invention and continue with such invention development and resulted in new things like product/service or process to the market.

It is also an avenue for exploiting new opportunities in both the market and within the industry (Bakar & Ahmad, 2010). With new product or modification of existing product to solve new and special need, firm could create niche that will warrant new business opening and or opportunity. Innovation according to Lumpkin and Dess (1996) as cited in Alosani Yusoff (2020) is one of the best ways to boost firm's productivity and performance. Atalay, et al (2013) others submitted that innovation and firm performance are positively related, that is, innovation could be used to achieve increase in organisation's performance. This is achieved through employee satisfaction, cost reduction, suppliers cost reduction and so on.

It was revealed in Alosani & Yusoff (2020) that several studies like Wheelwright and Clark (1992); Sheffer and Frenkel (2005); Mansury and Love (2008); Bowen, et al. (2010); Baumann and Kritikos (2016); and Scott, et al. (2017) agreed that for firm to improve its performance such firm must know and accept that innovation is a dire feature of its improvement plan, long term success, essential for efficiency and productivity improvement; revenue enhancement and value creation.

Methods

Survey research design was used and as researchers the objective was to expose the implication of green employee empowerment/engagement on non-financial corporate performance of deposit money banks in South-West, Nigeria that comprised of six (6) different States of Nigeria. All managerial staff of deposit money banks classified as having both national and international authorization formed the target population. These banks are Access, Eco, Fidelity,

First, Guarantee Trust, Union, UBA and Zenith banks. Questionnaire was administered based on accessibility and convenience. 352 copies of questionnaire were administered on the banks managerial staff of these banks using simple random sampling method. Krejcie and Morgan sample size determining table was used in determining the sample size and we used Structural Equation Modelling – AMOS to test the three hypotheses.

Testing of Hypotheses

EE = Green Empowerment/Engagement

ES = Employee Satisfaction

OE = Operational Efficiency

IN = Innovation

Hypotheses 1 – 3

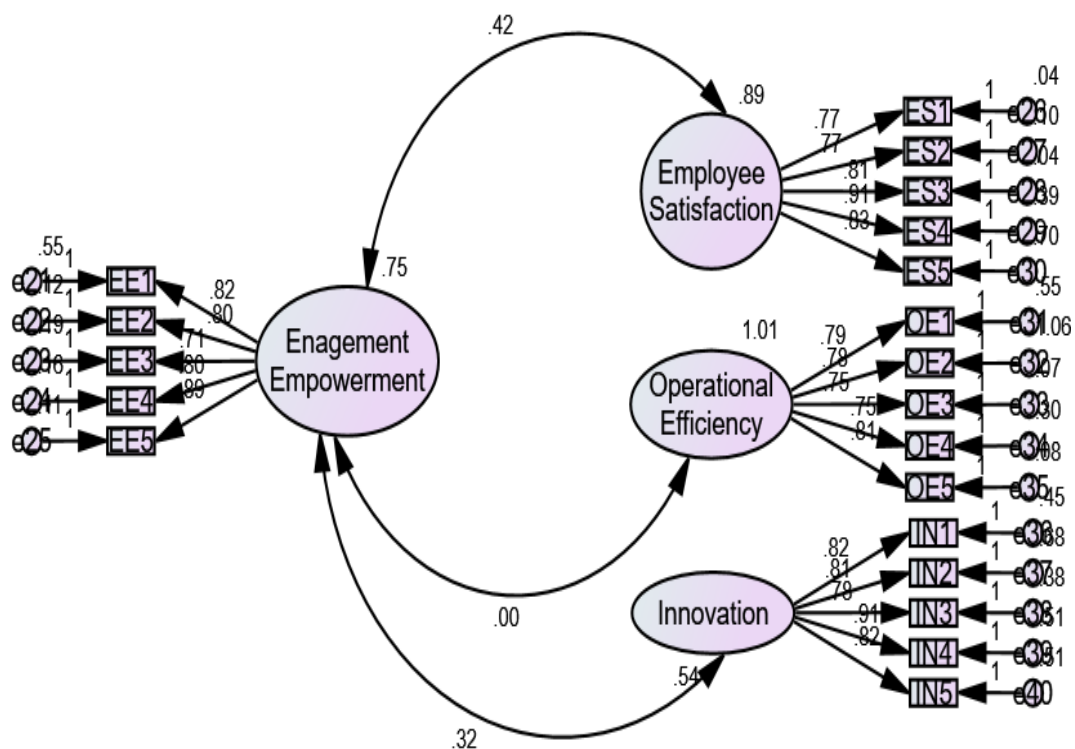


Figure 2. Structural Model Correlating Hypotheses 1-3

Source: SPSS-AMOS Version 23.0 Output, 2021

Table 1. Test of Hypotheses 1 – 3.

Hypothesis			Estimate (β)	S.E.	C.R.	p
Engagement/Empowerment	--->	Employee satisfaction	.423	.050	8.398	.000
Engagement/Empowerment	--->	Operational efficiency	-.001	.040	-.014	.989
Engagement/Empowerment	--->	Innovation	.315	.041	7.726	.000

Source: SPSS-AMOS Version 23.0 Output, 2021

Hypothesis One (HO1) Testing

HO1: There is no relationship between green employee empowerment/engagement and employee satisfaction of deposit money banks in South-West of Nigeria.

The covariance between green employee empowerment/engagement and employee satisfaction is estimated to be .423. The covariance estimate, .423, has a standard error of about .050. The covariance estimate is 8.398 standard errors above zero, implying that the path is significant at 0.05 level of significance. The probability of getting a critical ratio as large as 8.398 in absolute value is less than 0.05. In other words, the covariance between green employee empowerment/engagement and employee satisfaction is significantly different from zero at the 0.05 level (two-tailed). In other words, the covariance for green employee empowerment/engagement in the prediction of employee satisfaction shows a significant relationship of 0.000 at 0.05 level of significance. The study therefore points out that there is a positive and significant association between green employee empowerment/engagement and employee satisfaction. In light of this, the study therefore rejects the null hypothesis and accepts the alternate hypothesis that there is relationship between green employee empowerment/engagement and employee satisfaction of deposit money banks in South-West of Nigeria.

Hypothesis Two (HO2) Testing

HO2: There is no relationship between green employee empowerment/engagement and operational efficiency of deposit money banks in South-West of Nigeria.

The covariance between green employee empowerment/engagement and operational efficiency is estimated to be -.001. The covariance estimate, -.001, has a standard error of about .040. The covariance estimate is 0.014 standard errors below zero. The probability of getting a critical ratio as large as 0.014 in absolute value is .989. In other words, the covariance between green employee empowerment/engagement and operational efficiency is not significantly different from zero at the 0.05 level (two-tailed). The study, therefore, observes that there is a negative and no significant association between green employee empowerment/engagement and operational efficiency. In light of this, the study, therefore, upholds the null hypothesis that there is no relationship between green employee empowerment/engagement and operational efficiency of deposit money banks in South-West of Nigeria.

Hypothesis Three (HO3) Testing

HO3: There is no relationship between green employee empowerment/engagement and innovation of deposit money banks in South-West of Nigeria.

The covariance between green employee empowerment/engagement and innovation is estimated to be 0.315. The covariance estimate, .315, has a standard error of about .040. The covariance estimate is 7.726 standard errors above zero, implying that the path is significant at 0.05 level of significance. The probability of getting a critical ratio as large as 7.726 in absolute value is less than 0.05. In other words, the covariance between green employee empowerment/engagement and innovation is significantly different from zero at the 0.05 level (two-tailed). In other words, the covariance for green employee empowerment/engagement in the prediction of innovation shows a significant relationship of 0.000 at 0.05 level of significance. The study, therefore, observes that there is a positive and significant association between green employee empowerment/engagement and innovation. In light of this, the study, therefore, rejects the null hypothesis and accepts the alternate hypothesis that there is relationship between green employee empowerment/engagement and innovation of deposit money banks in South-West of Nigeria.

Results and Discussion

Green Engagement/Empowerment and Employee satisfaction of Deposit Money Banks

The outcome of the analysis on how green engagement/empowerment relates with employee satisfaction revealed that there is a noteworthy interrelationship between engagement/empowerment and employee satisfaction. The hypothesis which was given in null form was thus not aligned with and the alternate hypothesis was accepted because there is indication of medium positive relationship between engagement/empowerment and employee satisfaction among employees of deposit money banks in South-West of Nigeria. The positive relationship implies that the employee satisfaction increases when there is an increase in green engagement/empowerment. In essence, when green engagement/empowerment is low, such could hinder non-financial corporate performance in the form of employee satisfaction in deposit money banks. Hence, green engagement/empowerment is an essential factor in organisations that help increase employee satisfaction. This finding concurred with that of Sushil (2014) who noted that performance of employees could be improved with increase in the rate of employee satisfaction and this could be achieved with green job engagement and empowerment.

Green Engagement/Empowerment and Operational efficiency of Deposit Money Banks

The outcome of the second hypothesis on how green engagement/empowerment relates with operational efficiency connotes that green engagement/empowerment does not relate significantly with operational efficiency among the employees in deposit money banks in South-West of Nigeria. The null hypothesis in accordance with the decision rule was accepted and the alternate hypothesis was rejected. This is to say that green engagement/empowerment has a very low positive relationship with operational efficiency among employees in the deposit money banks. This finding disagrees with that of Saleem et al. (2012) who was of the opinion that while green job engagement referred to rotation of employees on various positions with extra assignment to be accomplished routinely.

Green Engagement/Empowerment and Innovation of Deposit Money Banks

Employees in organisations are most likely to share their knowledge with the organisation when they are properly empowered or well engaged. This statement is based on the findings in the fifteenth hypothesis which revealed that green engagement/empowerment relates significantly with innovation. This shows a high level of correlation among green engagement/empowerment and innovation. The positive link implies that the higher green engagement/empowerment in the deposit money banks, the more the innovation among the employees. In other words, reducing green engagement/empowerment will subsequently reduce the innovation in the deposit money banks. Thus, firm's ability to engage or empower their workers will help improve their propensity to share their knowledge. This study is in line with that of Renwick et al. (2012) who opined that innovation can be achieved when there is engagement of employees.

Conclusion

From the study findings, it was revealed that there is relationship between green empowerment/engagement and employee satisfaction and innovation as non-financial corporate performance measures only. There is no relationship between green empowerment and engagement and operational efficiency of deposit money banks in South-West, Nigeria. The simple interpretation of this conclusion is that it is only employee satisfaction and innovation that green empowerment/engagement can be used to improve on. Green empowerment/engagement cannot be used to influence or improve operational efficiency. That

is, no matter the level of green empowerment/engagement in deposit money banks in South-West, Nigeria, their operational efficiency will not be affected.

Recommendation

This study thereby recommended that firms that actually want to boost their operational efficiency should not adopt green employee empowerment/engagement as it cannot help to increase it. But it is recommended for organisations looking forward to increasing their employee satisfaction and innovation capabilities should embrace green employee empowerment/engagement

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