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

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**ABSTRACT:** This study is to access the effect of one of the green human resource management practices (green employee involvement) on few non-financial performances of deposit money banks in South-West, Nigeria. The study examined the relationship between green employee involvement and non-financial corporate performance in of deposit money banks in South-West, Nigeria. The actual problem that necessitated the research is to see if green employee involvement could be used in solving some of the unethical behaviours and attitudes in our deposit money banks especially in 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 depending on Krejcie and Morgan sample determining table. Simple random sampling technique was applied to administer the research instrument. Structural Equation Modelling - AMOS was used in testing the three (3) hypotheses. The findings revealed that there is relationship between green employee involvement and non-financial corporate performance and that green employee involvement positively aid the non-financial performance in of deposit money banks in South-West, Nigeria. Hence, the study recommended that green employee involvement organisations willing to increase their operational efficiency and innovation should embrace green employee involvement.

**Key words:** Green employee involvement, Non-financial performance, Employee satisfaction, Operational efficiency, Innovation.

1. Introduction

Indicators that are non-financial based are mostly used nowadays by many scholars for measuring firmss’ performance based on several distinguishing reasons that are presented to defence of non-financial indicators. It was submitted by Lee and Yang (2011) in Yuliansyah and Razimi (2015) that non-financial measures (NFM) usage has been an impetus to enhancing performance because of the creation of internal process. Scholars like O’Connell and O’Sullivan (2014); Lau and Sholihin, (2005); Simons (1995) and others as stated in Yuliansyah and Razimi (2015) opined that non-financial measures (NFM) assists organisations to overcome few precincts encountered from financial performance measures usage and that it assists to advance workforce communication amongst themselves. It also boost long term success of the company. Ittner and Larcker (2003) listed merits under four (4) main headings which include faster connection to long term organisational policies and strategies, less prone to peripheral noise, incidental quantitative pointers of a corporate’s incorporeal assets and finally, improved indicators of upcoming financial performance. Though, it was revealed in the study of Ittner and Larcker (2003) that non-financial performance parameters are
unreliable because respondents giving information about non-financial parameters of an organisation might be biased as there is no statistical information to cross-check information presented.

Nevertheless, in Yuliansyah and Razimi (2015) it was contended that aside envisaging long term corporate objectives, non-financial performance measurements assist in modifying employees’ behaviour knowing full well that their individual attitude and behaviour is a determining factor of the success of the organisation. It also assists in capturing performance in a broader manner Abernethy, et al. (2013) in Yuliansyah and Razimi (2015). In Ahmad and Zabri (2016) it was argued by Van der Stede (2006) in Tang, Chen, Jiang, Paille, and Jia (2018) that while some organisations are not doing well, and some are performing excellently by relying on non-financial performance measures that are subjective and at the same time objective in nature.

Green employee involvement is simply pointing to allowing employees to be part of the decision making process, especially, decisions on matters directly affecting them. Job involvement was defined as a kind of conviction descriptive of the current work and tends to be a role of how much the work can fulfil one’s current desires (Carmeli and Freund (2003) citing Kanuyo, 1982). Also, giving the employees free hand to operate and control their job or task lives (Robbins, 1998). Employee involvement is a participation process that uses the entire capacity of employees and is designed to encourage increased commitment to the organisation’s success. 

This is, the participation level of employees’ in the decision making and the sense of responsibility and commitment thus produced. It could be described as the rate at which organisation members share power, knowledge, information and rewards within the organisation. This terminology encompasses workplace democracy, employee ownership, participative management or employee participation and empowerment. With employee involvement, Robbins (1998) concluded that employees will be motivated and as such, enhance the job attitude of employee satisfaction. Renwick, Redman, and Maguire (2013) in Tang et al. (2018) that there is need to provide opportunities for employees’ participate in environmental management (EM) in order to curb pollution and identifying opportunities around the organisation. Tang et al. (2018) asserted that green involvement (GI) is important for the enhancement of performance.

asserted that green involvement (GI) is important for the enhancement of performance. There have been several work on the relationship between two or more of the green human resource management practices and performance. Specifically, there have not been many work on the relationship between green human resource management practices and an aspect of performance. In particular, work on one green human resource management practices like green employee involvement and non-financial corporate performance is not easily found. This work will bridged the gap in literature by providing answer(s) to the relationship between green employee involvement and non-financial corporate performance with particular reference to deposit money banks in South-West, Nigeria.

2. Aim and Objectives
The aim of this study is to ascertain the relationship between green employee involvement and non-financial corporate performance of deposit money banks in South-West, Nigeria. To do justice to the aim, the following are the objectives:

1. Establish the relationship between green employee involvement and employee satisfaction of deposit money banks in South-West of Nigeria.
2. Establish the relationship between green employee involvement and operational efficiency of deposit money banks in South-West of Nigeria.
3. Examine the relationship between green employee involvement and innovation of deposit money banks in South-West of Nigeria.

3. Research Questions
1. What is the relationship between green employee involvement and employee satisfaction of deposit money banks in South-West of Nigeria?
2. What is the relationship between green employee involvement and operational efficiency of deposit money banks in South-West of Nigeria?
3. What is the relationship between green employee involvement and innovation of deposit money banks in South-West of Nigeria?
4. Research Hypotheses

H01: There is no relationship between green employee involvement and employee satisfaction of deposit money banks in South-West of Nigeria.

H02: There is no relationship between green employee involvement and operational efficiency of deposit money banks in South-West of Nigeria.

H03: There is no relationship between green employee involvement and innovation of deposit money banks in South-West of Nigeria.

5. Literature Review

5.1. Operational Framework

This sub-heading is to show the process of having our tested hypotheses and will be the focus in discussions in the Literature Review.

Figure 1 illustrates the Operational framework showing the relationship between green employee involvement as a dimension of Green Human Resources Management Practices and non-financial corporate performance measures (Employee Satisfaction, Operational Efficiency and Innovation).

![Figure 1. Operational framework showing the relationship between green employee involvement as a dimension of Green Human Resources Management Practices and non-financial corporate performance measures (Employee Satisfaction, Operational Efficiency and Innovation).](image)

Source: Dimensions – Renwick et al. (2013).

6. Concept of Green Employee Involvement

We have compulsory/statutory or voluntary/non-statutory employee involvement. It could also be either indirect or direct. Compulsory/statutory involvements are those mandatory involvements as there is legal backing to it and failure to be involved attracts sanction(s). For instance, a Nigerian University Registrar that was accused of not calling the attention of the University Governing Council to certain unlawful moves by them will be sanctioned. But if it is voluntary/non-statutory involvement, the Registrar cannot be sanctioned in any way as it is only done willingly and not compulsory on the employee, as such, there is no sanction if not done. It is direct when there is influence of the decision personally and indirect where the influence is done through another person or body.

It was asserted that employees’ involvement in the greening activities especially that of human resource is very compulsory in the banking industry if the organisation intends to achieve its set objectives (Chowdhury, Roy, Arafina, & Siddiquee, 2019). Participative management which is an integral part of employee
involvement was asserted to be an instrument of motivating to higher performance according to Gbadamosi (1996) as cited in Muo and Muo (2007). Furthermore, allowing employees to be part of decisions making process of decisions affecting them is a way to higher and effective performance (Muo & Muo, 2007). It was concluded that the banking industry especially the deposit money banks should structure employees’ participation in the GHRMP to achieve higher employee satisfaction and performance (Forman & Jorgensen, 2001 in Chowdhury et al. (2019)).

Apart from specialists and managers, other classes of the workforce should be given wider participation in the organisation environmental friendly matters as that is crucial to the firm’s triumph results (Remman & Loventzen, 2000; Hanna, et al., 2000; and Bunge, et al., 1996 in Renwick et al. (2013)). Also, employees’ involvement (EI) in the organisation has been established to be an impetus to improvement of the strategic results of the organisation’s eco-friendly initiatives like workplace pollution reduction, proper usage of resource, waste reduction and others (Renwick et al., 2013). They went further to highlight some practices of EI to include groups tasked with solving specific problems, newsletters, the use of tele-videoconferencing, recommendation structures, working from home and so on. Rottenberg (2003) in Renwick et al. (2013) opine that EI makes much contribution to the achievement and improvement of employees’ performance because such enable them to acquire right skills and knowledge that some superior offices may not have.

Relying on (Florida & Davidson, 2001), in Ahmad and Zabri (2016), Tang et al. (2018) opined that green involvement of employees is an impetus to performance improvement. It was asserted that scholars in motivation and some theories on motivation had given credence to awareness and use of EI through participation. It is a clear issue that most employees will be elated when they are consulted on germane issues and actions that affect them in the organisation. The common wise saying comes into play here that it is only the person that tastes food that can describe its taste. This is because it is only employees that know problems as well as the possible solution(s) and it is only them that can proffer solution(s) to it Amah (2016). Amah (2016) went further to assert that when employee involvement programmes are well fashioned out and implemented proper, there will be increase in employee satisfaction, operational efficiency and innovation. Countries like Japan, Israel and European nations practice employee involvement. Employee involvement serves as a means of recognition as employee that his/her idea or suggestion is accepted, implemented and found useful will never be forgotten in such organisation.

It is very vital part of knowledge distribution and could be an added advantage over competitors (Amah, 2014). This is because it requires adequate knowledge and skills in contributing to any decision making discussion. Also, revealed in Amah (2014) was that employee involvement is related positively with productivity and performance. Some of the explanations put forward as reasons for the positive relationship include reduction of costs by recommendations of employees to the superior offices which normally bring about higher performance and productivity. Furthermore, there is this stakeholder feeling that translates into commitment, creativity and innovativeness. These translations increase employees’ and organisation’s productivity and performance.

7. Concept of Non-Financial Corporate Performance

Many scholars, nowadays, prefer the use of non-financial indicators in measuring performance of business as a result of various reasons in defence of the parameters. In Xiaoming and Junchen (2012) some scholars asserted that “non-financial variable is the new trend for the performance appraises and related research.” It was opined by Lee and Yang (2011) in Yuliansyah and Razimi (2015) that non-financial measures (NFM) usage leads to enhanced performance resulting from internal process creation. Scholars like O’Connell and O’Sullivan (2014); Lau and Sholihin (2005); Simons (1995) and others in Yuliansyah and Razimi (2015) asserted that it helps organisations to overcome various limitations encountered from the usage of measures of financial performance and that it assists in improving communication amongst the workforce. More so, it is a booster to long term success of the organisation. Kotane and Kuzmina-Merlino (2012) highlighted merits under four (4) main headings which include faster connection to long term organisational policies and strategies, less prone to peripheral noise, incidental quantitative pointers of a corporate’s incorporeal assets and finally, improved indicators of upcoming financial performance. Though, it was revealed in the study of Ittner and Larcker (2003) that non-financial performance parameters is unreliable because respondents giving information about non-financial parameters of an organisation might be biased as there is no statistical information to cross-check information presented.
7.1. Employee Satisfaction

Green human resource management practices are employees’ job satisfaction enhancer within the organisation according to Ahmad (2015) and Chowdhury et al. (2019). This is achieved when organisation ‘go green’, surely, there will be healthy changes within and around the organisation’s environment. Such change, most time, are pleasant to the employees because going green always come into being via the robbing together of the employees’ and employer’s mind. Chowdhury et al. (2019) opined that if a worker is pleased and satisfied with the environment, it translates into getting satisfied with his/her work and invariably, can do anything ‘doable’ for the organisation to attain betterment. Chowdhury et al. (2019), therefore, concluded that green HRM practices were seen in banking industry to be very crucial in achieving high level of their workforce work satisfaction.

For proper achievement of employee satisfaction, there must be a link between pay schedules of employee with his/her performance. That is, there should be correlation between employee skills, effort, experience, abilities and the compensation that is awaiting such employee to guide against reduction in the employee satisfaction (Robbins, 1998). Another source of employee satisfaction is through employee involvement in decisions and control of the organisation (Robbins, 1998). Also, job satisfaction involves worker’s feeling and attitude to his/her job particularly those feelings and attitudes that affect and/or influence work related behaviour and performance. If a worker’s expectation from his/her job is equal or above what the job provide, then, satisfaction is attained by the employee (Muu & Muu, 2007). It was emphasised that work satisfaction mean different things to different people. Carmeli and Freund (2003) asserted that employee satisfaction is the best predictor and at the same time measure of performance and job outcomes in the immediate job climate. Chowdhury et al. (2019) opined that there is positive relationship between employee satisfaction and job performance which translates to corporate performance of banks as well as green HRM practices and employee satisfaction.

7.2. Operational Efficiency

Researches on the operational efficiency importance for banking industry in other economies exposed that the crucial operational efficiency determinants were affected by the financial crisis globally according to Siraj and Pillai (2011) in Olarewaju (2016). Banu (2019) also concluded that banks operational efficiency is important to local and international smooth trade flow existence. This, therefore, give emphasis to how vital the sector is important as a topmost significance in modern management of economic for the much-desired development, growth and stability of a nation’s economy via financial resource mobilisation apparatus and allocation (Husain & Abdullah, 2008).

The assumed banks’ efficiency made people to feel safe to deposit their hard earned income with them but this made the sector’s operational efficiency to be a big concern for the stakeholders, regulators managers, customers and other participants Banu (2019). This is why any smell of inefficiency by any of these mentioned stakeholders is a signal of failure for such bank which in most cases is a pointer to economy productivity. That is, any case of failure in our banking sector is likely to jeopardise the country’s payment system. It was concluded in Banu (2019) that there is strong relationship between any of the green human resources management practices and operational efficiency. This is sequel to the fact that banks staffs are carrying out relentless role in the sector to keep the nation’s economy rolling.

7.3. Innovation

In O’Toole (1997) as cited in Alosani and Yusof (2020) described innovation as implementation or introduction of new concepts like object, idea or practice. Innovation could also be an avenue to alter process, product, or other things to the in tune with ever demanding and dynamic business environment. The first scholar to described innovation was the Schumpeter, the German Economist and Political Scientist as the powerful strength of growth and development in every organisation. The definition exposes five dimensions that include adoption of new production processes, new source(s) of product raw materials, invention of new product or modification to the existing product, new market entering and entering new business industries (Vyas, 2009 as quoted in Atalay, Anaftara, and Sarvan (2013)). Alosani and Yusof (2020) asserted that innovation covers areas like new price mechanism, new employees’ programme, new products and services, and new corporate structure.
Innovation could be enabled through constant green training/development, green pay/reward technique, green employee engagement and green employee involvement. Dymitrowski (2020) asserted that innovation is a complicated breakthrough for an organisation to implement and that it requires specific knowledge, skill, ability, capability and resource. Such specific knowledge and skill could be gained from green training/development. Green pay/reward techniques can ginger the workforce to their best and eventually, becomes better resource for the organisation. Ability and capability could be gained through green employee engagement and involvement.

Performance could as well be improved through adoption of innovation as part of the organisation’s culture which will enable the firm to have extra profit by have enjoying a niche in the market, rapid response to business environmental changes and higher competitive advantage Calantone et al., 2002; Arag_on-Correa, et al., 2007; Tajuddin, et al. 2015; and Salunke et al., 2019 in Alosani and Yusoff (2020). Furthermore, with innovation differentiating an organisation’s product and or service is attained and this facilitates increase in income generation for the firm according to Hitt, et al. (2001) in Alosani and Yusoff (2020).

8. Methodology

Survey research design was used and as researchers the objective was to expose the implication of green pay/reward technique 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. Krejice 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.

9. Testing of Hypotheses

GEI = Green Employee Involvement.
ES = Employee Satisfaction.
OE = Operational Efficiency.
IN = Innovation.

Hypotheses Testing 1 – 3

Figure 2 Illustrates the Structural model correlating hypotheses 1 – 3.

9.1. Hypothesis One (H01) Testing

H01: There is no relationship between green employee involvement and employee satisfaction of deposit money banks in South-West of Nigeria.

The covariance between green employee involvement and employee satisfaction is estimated to be -0.052. The covariance estimate, -0.052, has a standard error of about 0.030. The covariance estimate is 1.749 standard errors below zero. The probability of getting a critical ratio as large as 1.749 in absolute value is 0.080. In other words, the covariance between green employee involvement and employee satisfaction 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 involvement and employee satisfaction. In light of this, the study therefore upholds the null hypothesis that there is no relationship between green employee involvement and employee satisfaction of deposit money banks in South-West of Nigeria.
9.2. Hypothesis Two (H02) Testing

H02: There is no relationship between green employee involvement and operational efficiency of deposit money banks in South-West of Nigeria.

The covariance between green employee involvement and operational efficiency is estimated to be 0.347. The covariance estimate, 0.347, has a standard error of about 0.040. The covariance estimate is 8.730 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 8.730 in absolute value is less than 0.05. In other words, the covariance between green employee involvement and operational efficiency is significantly different from zero at the 0.05 level (two-tailed). In other words, the covariance for green employee involvement in the prediction of operational efficiency 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 involvement and operational efficiency. In light of this, the study, therefore, rejects the null hypothesis and accepts the alternate hypothesis that there is relationship between green employee involvement and operational efficiency of deposit money banks in South-West of Nigeria.

9.3. Hypothesis Three (H03) Testing

H03: There is no relationship between green employee involvement and innovation of deposit money banks in South-West of Nigeria.

The covariance between green employee involvement and innovation is estimated to be 0.413. The covariance estimate, 0.413, has a standard error of about 0.040. The covariance estimate is 10.211 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 10.211 in absolute value is less than 0.05. In other words, the covariance between green employee involvement and innovation is significantly different from zero at the 0.05 level (two-tailed). In other words, the covariance for green employee involvement in the prediction of innovation shows a significant relationship of 0.000 at 0.05 level of significance. Hence, the study rejects the null hypothesis and accepts the alternate hypothesis that there is a relationship between green employee involvement and innovation of deposit money banks in South-West of Nigeria.

10. Findings

10.1. Green Employee Involvement and Employee satisfaction of Deposit Money Banks

The outcome of the analysis on how green employee involvement relates with employee satisfaction revealed that there is no substantial relationship between employee involvement and employee satisfaction. The hypothesis which was given in null form was thus aligned with because of negative relationship between employee involvement and employee satisfaction among employees of deposit money banks in South-West of Nigeria. Hence, employee involvement is not an essential factor in organisations in increasing employee satisfaction. This finding contradicts with that of Chowdhury et al. (2019) who concluded that the banking industry especially the deposit money banks should structure employees’ involvement in the GHRMP to achieve higher employee satisfaction and performance.

10.2. Green Employee Involvement and Operational efficiency of Deposit Money Banks

The outcome of the second hypothesis on how green employee involvement relates with operational efficiency connotes that green employee involvement relates 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 not aligned with and the alternate hypothesis was aligned with. When the green employee involvement is high, they will perform better in their various organisational tasks. This is to say that green employee involvement has a low positive relationship with operational efficiency among employees in the deposit money banks. An increase in green employee involvement will thus result in high increase in operational efficiency. Thus, one can assert that higher green employee involvement is a contributory factor to higher level of operational efficiency displayed in organisation. This finding agrees with that of Tang et al. (2018) who asserted that green involvement (GI) is important for the enhancement of performance. Allowing employees to be involved in decisions making process is a way to higher and effective operational efficiency (Muo & Muo, 2007).

10.3. Green Employee Involvement and Innovation of Deposit Money Banks

Employees in organisations are most likely to share their knowledge with the organisation when they are involved in the organisational activities and decision making. This statement is based on the findings in the third hypothesis which revealed that green employee involvement relates significantly with innovation. There is high (positive) level of correlation among green employee involvement and innovation. The positive link implies that the higher green employee involvement in the deposit money banks, the more the innovation among the employees. In other words, reducing green employee involvement will subsequently reduce the innovation in the deposit money banks. Thus, firm’s ability to involve the employees in the day-to-day events will help improve their willingness to share their knowledge. This study is in line with that of Amah (2016) who asserted that when green employee involvement programmes are well fashioned out and implemented properly, there will be increase innovation.

11. Conclusion

The study thus concluded that green employee involvement could not be used to improve employee satisfaction but it could be used to build on the firm’s operational efficiency and innovation capability of deposit money banks in South-West, Nigeria. In other words, any increase in green employee involvement within the organisation will lead to an increase in operational efficiency and innovation but it is not the same of employee satisfaction.
12. Recommendations

It is hereby recommended that deposit money banks that intends boosting their operational efficiency and innovation capability needs to embrace green employee involvement in the day-to-day management of the firm particularly those issues that directly affect the workforce. Also, firms that are expecting employee satisfaction should desist from practicing green employee involvement as part of their green human resource management practices as this study exposed that green employee involvement does not enhance employee satisfaction.

References


