

## **THE EFFECT OF JOB TENURE ON EMPLOYEE/CUSTOMER RELATIONSHIP IN THE NIGERIAN BANKING INDUSTRY**

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### **ABSTRACT**

Despite the fact that the banking industry is unrivalled in the development of any economy because it marshals funds from the surplus spending unit of the economy and makes the same available to the deficit units for the attainment of the economy's development goals, it is observed that the banking staff, who are agents or bedrock for the fulfilment of this goal, appears to be found lamenting over poor service delivery to her customers. The purpose of this study is to assess the influence of job tenure on employee/customer relationship in Nigerian banking industry. Survey research design was adopted for the study. The sample size was 333 employees selected from commercial banks in the study area through stratified random sampling technique. Questionnaire was used as instrument for data collection. Results of the analysis using one-way analysis of variance (ANOVA) test statistical techniques shows that, there is a positive significant influence of job tenure on employee/customer relationship in Nigerian banking industry. That is, there is a significant influence of organizational demography in terms of job tenure on performance in terms of employee/customer relationship in Nigeria banking industry. Based on the findings, the study recommended that, banks should encourage employees to stay on the job through motivation and incentives. This will enable them have relevant experience on the job and hence contribute to the growth and the achievement of the overall objectives of the banking sector. To this end, human resource administrators ought to be worried about characteristics and foundation of staff that best suit work positions.

**Keywords:** Job tenure, Organizational demography, Employee, Customer & Relationship

**JEL classification codes:** M14, M54

### **1. INTRODUCTION**

The performance of an organization's members determines its survival and success. Business owners require capable workforces because workforce performance is critical to the overall success of the organization. Job tenure (the amount of time an individual has spent in an organization or job) is an important factor in determining an employee's performance at work. Employees generally exhibit higher levels of performance as their job tenure increases

(McDaniel, Schmidt, & Hunter, 1988). Organizational workforces are becoming more diverse or heterogeneous in terms of demographic attributes such as job tenure and national origin which is widely acknowledged by both practicing managers and management scholars. As a result, both groups are interested in learning about the impact of such diversity on the organization and developing insights into how to best manage this increasingly diverse workforce. Fortunately, such knowledge is growing. Employees feel better, become more committed to their organizations, become more sensitive to the work they do, and increase their productivity when they have a positive experience or tenure in organizations.

Job tenure refers to an employee's overall perception of his relationships with the organization for which he works over the course of his employment (Plaskoff, 2017). Job tenure is the sum of an employee's experiences with the organization, beginning with the first time he or she contacts the organization as a potential candidate and ending with the moment he or she terminates his or her employment (Ludike, 2018). Managers have long recognized that employees are just as important as customers and deserve to be treated with the same respect. Organizations that recognize this are putting in place a variety of practices to improve employee retention and maximize their potential (Bonsu, 2020). For example, some modern companies, such as IBM, have developed applications that attempt to comprehend what employees experience and feel, beginning with the initial stage, in order to bring the employee experience to life (Burrell, 2018).

However, some studies have found a link between employee job tenure and employee engagement (Bonsu, 2020; Tucker, 2020; Lemon, 2019). Dedicated and experienced employees are more deeply concerned with the organization's future and strive to contribute more to the organization's success than job descriptions. Workplace meaning is directly related to one's level of experience, commitment, and performance. Employees are always looking for meaning in their work, and when organizations fail to provide it, they plan to leave. Employees who are committed and experienced go out of their way to express themselves physically, cognitively, and emotionally while performing their duties (Tshukudu, 2020).

Meanwhile, Mohammed and Rashid (2012) define employee-customer relationship as "a strategic approach that enables organizations to use internal resources (i.e., technology, people, and process) to manage the relationship with customers for the entire life cycle in order to create a competitive advantage and improve an organization's performance." The purpose of this research is to look into the relationship between job tenure and customer/employee relationships in the Nigerian banking industry. The remainder of the study is organized as follows: Section 2 is an examination of the empirical literature. The third section explains the methodology and analyzes the data. Section four presents the empirical findings, while Section five summarizes and concludes the study.

## **2. LITERATURE REVIEW**

### **2.1 Conceptual literature**

Obikoya (2002) quickly identified the new employees' orientation when identifying training needs. According to him, new employees frequently require new or additional training to learn job-specific skills. As previously stated, new employees' education is person-oriented rather than job- or company-oriented. As a result, people who have been on the job for a long time are less likely to make mistakes than new employees and thus perform better. However, studies show that, after a certain point, years of service have no effect on job performance. Employers, on the other hand, are hesitant to retire their long-serving employees. This is because they want them to stay and train those who will take their place. According to Ng and Feldman (2010),

there is a curvilinear relationship between organizational tenure and job performance. According to them, while the relationship between organizational tenure and job performance is generally positive, the strength of the association weakens as organizational tenure increases. It is also worth noting that employee training is a cost to the organization and represents an investment in human capital. This explains why management prefers workers who have been on the job for a longer period of time to new employees. Also Bulus and Madueme (2022), examined location and gender dimension of climate change and its implication for poverty reduction in Taraba State, Nigeria. The study used a multi-stage sampling technique, and interviewed 492 respondents from 12 communities in 6 local government areas. Adopting the Inter-Governmental Panel on Climate Change (2007) and Deressea, Hassan, and Ringer (2008) Vulnerability Index, the study found that Taraba North is the least vulnerable among the three senatorial zones followed by Taraba South while Taraba Central senatorial zone is the most vulnerable. Similarly, the result suggested that male farmers were more vulnerable than their female counterparts. On the basis of the results, the study recommended the need to improve the adaptive capacity of farmers in Taraba State through the strengthening of those variables that improve adaptive capacity such as training/seminar as well the government providing facilities for farmers to enable them engage in dry season farming.

## **2.2 Theoretical framework**

### **2.2.1 Social categorization theory by McGarty 1999**

Categorization is the process by which we make sense of the world around us by classifying or grouping things. We learn about relationships between objects when we learn which categories they belong to. Applying that same process to people, including ourselves, is what social categorization entails. It is not only a cognitive process for comprehending and explaining the world; it is also a component of how we organize the world. That is, the groups we belong to are based on social categories such as job tenure and experience, genders, ethnicities, religions, and nations, and thus phenomena such as stereotyping and person perception are based on social categorization. Many of the core insights from the study of object categorization are relevant to the study of social categorization, but there are some important differences that suggest social categorization is more, indeed much more, than object categorization. The first significant difference is that, unlike object categories, social categories are made up of people who can choose to unite or divide. Not only can social categorization help us understand why other people are similar to each other and different from us, but it can also help us predict when they will be similar and different from us. The second key difference is that when we categorize ourselves, we learn who we can cooperate with, who shares our goals and interests, and who we might cooperate with. It is hard to imagine effective human functioning without the abilities that social categorization grants us.

### **2.2.2 Social identity theory by Tajfel and Turner 1979**

According to social identity theory, people classify themselves as belonging to specific groups such as nationality, gender, or even sports teams. Social identity theory examines how group membership influences intergroup behavior and an individual's self-concept. An individual's evaluation of the in-group is closely related to self-categorization. People engage in social comparison processes to reach positive evaluations of their own in-group. They denigrate the outgroup in order to boost their own self-esteem. According to self-categorization theory, depending on the salience of a situation, either personal identity and interpersonal behavior, social identity and intergroup behavior, or dynamic interplay take precedence. These theories have been widely used to explain media use and the effects of media on people. For example,

it has been shown that media users prefer media featuring positively portrayed protagonists of their own in-group.

### **2.3 Empirical literature**

In another piece of research carried out by Sturman (2001), he argues that empirical research suggests that job tenure, organizational tenure, and age have non-linear relationships with job performance. Considered simultaneously, there should exist an inverted U-shape relationship between time and performance. It has also been established that dedicated employees are more deeply concerned with the future of the organization and try to put forward more than job descriptions for the success of the organization. People's perceptions of the meaning of their workplace are directly linked to their level of commitment and performance. Employees always want their work to have meaning, and when organizations fail to provide this, they plan to leave. Employees who are committed go out of their way to express themselves physically, cognitively, and emotionally while performing their duties (Tshukudu, 2020). According to Lemon (2019), employee job tenure begins with communication because dialogue establishes context and improves employee job tenure. Active listening has also been shown to increase employee commitment. Any organization's management must make time to listen to its employees. Employee commitment can be increased through face-to-face communication. Finally, he concluded that formal intra-organizational communication through a variety of tools increases employee commitment.

Dokko, Wilk, and Rothbard (2008) proposed psychological theory to identify socio-cognitive factors that impede the transfer of knowledge and skills gained through prior work experience or tenure. The discovery demonstrates that task-relevant knowledge and skill serve as a bridge between prior related experience and job performance. The study also suggests that higher levels of experience within the current firm mitigate the positive effect of prior related experience on task relevant knowledge and skill. Employee experience is used to assess skill levels. Employees are expected to improve their skill level based on their length of service with the organization. The longer an employee works, the more experience and skill they will gain. As a result, his/her productivity and job performance may improve. Certainly, a person with previous experience is frequently employed by employers to fit for the knowledge and skill that contributes to performance. Experience allows employees to gain skills and knowledge that make them productive and valuable (NikKamariah, 1997). Indeed, empirical evidence suggests that employees in the early stages of organizational membership, rather than the advanced stages, have a higher rate of acquiring more tenure-related resources (Ng & Feldman, 2010). As a result, employees start with little or no organization-specific human capital and learn more during the socialization process. They do, however, accumulate less and less organization-specific human capital over time. In summary, they anticipate a learning curve in the relationship between employee organizational tenure and performance, with greater increases in performance at low levels of organizational tenure than at high levels of organizational tenure (Ng & Feldman, 2010).

### **3. METHODOLOGY**

The survey design was used for this study's research. The choice of this method was based on the fact that the population and sample are dispersed throughout the study area. This research was carried out in Calabar, Cross River State, Nigeria. Calabar (also known as "Canaan City") is a city in Cross River State, Nigeria's South-South region. All management and non-management staff from all deposit money banks in Calabar Metropolis, Cross River State, were included in the study population. The stratified random sampling technique was used for the

study's sampling. Staff were divided into groups based on their organizations, and a simple random sampling technique was used to select a sample from each stratum. The sample of this study comprised of 333 staff of selected banks in Calabar metropolis randomly selected from the population of 414 staff (that is 80% of the population). The sample size was determined using Taro Yamane method.

The main source of data collection for this study was primary source comprising of an instrument titled "Organizational demography and Performance Questionnaire" (ODPQ). The validity of the Questionnaire was face and content validated. The reliability of the instrument was established through split-half method using a subscale of 30 staff outside the study population. However, to obtain the appropriate estimate of the test reliability, Spearman-Brown Prophecy Formula was used and this yielded a reliability coefficient, ranging between 0.823-0.934 which indicates that the instrument was reliable and as such was able to measure consistently what it was purported to measure.

#### 4. DATA ANALYSIS AND THE RESULTS

The data analysis for the study was done to test the hypothesis at the .05 alpha level.

##### Hypothesis

*There is no significant influence of job tenure on employee/customer relationship in Nigeria banking industry.* The independent variable in this hypothesis was job tenure classified into 'Below 4 years', '4-9 years' and '10 and above years' of experience. The dependent variable in this hypothesis is employee/customer relationship. One-way Analysis of Variance was used in testing the hypothesis. Results of the analysis are presented in table 1

**TABLE 1**  
**One-way Analysis of Variance of the influence of job tenure on employee/customer relationship in Nigeria banking industry**

Job tenure:	n	x	S.D	
Below 4 years:	118	16.55	3.55	
4-9 years:	125	20.29	1.57	
10 years and above:	90	21.11	.98	
Total:	333	19.19	3.09	
Source of variation:	S.S	df	M.S	F.
Between groups:	1304.741	2	652.370	115.39*
Within groups:	1865.716	330	5.654	
Total:	3170.456	332		

\*significant at 0.05 level; df= 2 & 330, critical f-ratio = 3.02

Results of analysis in table 1 indicate that, the calculated f-ratio of 115.39 is greater than the critical f-ratio of 3.02 at 0.05 level of significance, with 2 and 330 degrees of freedom. This means that, there is a significant influence of job tenure on employee/customer relationship of in Nigeria banking industry.

Since the results showed significant influence, a post hoc comparison test among group means was carried out to ascertain the pair wise mean difference responsible for the significant influence. Fisher's Least Significant Difference (LSD) method was used in carrying out the test. Results of the analysis are presented in Table 2

**TABLE 2**  
**Summary of Fisher's LSD for the influence of job tenure on employee/customer relationship in Nigeria banking industry**

Experience/tenure:	Below 4 years (n=118)	4-9 years (n=125)	10 and above years (n=90)
Below 4 years:	16.55	3.77	4.56
4-9 years:	12.36*	20.29	0.82
10 and above: (MSW=5.654)	13.69*	2.49*	21.11

\*p<.05

- a) Group means are along the principal diagonal
- b) Mean differences are above the principal diagonal
- c) t-values are below the principal diagonal

Results of analysis in Table 2 show significant pair-wise group mean differences as follows: below 4 years versus 4-9 years ( $t=12.36$ ,  $p<.05$ ); below 4 years versus 10 and above years ( $t=13.69$ ,  $p<.05$ ) and 4-9 years versus 10 years and above ( $t=2.49$ ,  $p<.05$ ). The result further indicate that, employees who had 10 years and above years of job tenure ( $x=21.11$ ) performed better in terms of employee/customer relationship than those who had between 4-9 years of job tenure ( $x=20.29$ ) and those who had below 4 years of job tenure ( $x=16.55$ ) respectively. This means that, the higher the years of job tenure of an employee, the higher the level of performance in terms of employee/customer relationship in Nigeria banking industry. By these results the null hypothesis is rejected and the alternate upheld.

## 5. DISCUSSION OF FINDINGS

The hypothesis sought to examine the significant influence of job tenure on employee/customer relationship in Nigerian banking industry. The results of analysis indicated that, there is a significant influence of experience/tenure on employee/customer relationship of deposit money banks in Cross River State, Nigeria. The result further indicate that, the higher the years of job tenure of an employee, the higher the level of performance in terms of employee/customer relationship in Nigeria banking industry. This finding is in cognizance with NikKamariah (1997) who concluded that experience or job tenure of employee is a measure for skill levels. An employee is expected to improve his/her skill level depends on the length of time employed with the organization. The longer the time employed, an employee would be more experience and better skill obtained. Therefore, may increase his/her productivity and job performance. Certainly, a person with previous experience is frequently employed by employers to fit for the knowledge and skill that contributes to performance.

Experience allows the accumulation of skills and knowledge that make an employee productive and valuable. In the same vein, Obikoya (2002) while identifying training needs quickly pointed at the new employees' orientation. According to him, new employees often require new or additional training to learn skill specific to the job. As pointed earlier, education, which new employees have, is person oriented and not job or company oriented. This therefore goes to show that people who have stayed long on the job are not likely to make mistakes like new employees on the job, hence perform better. Researches however find that beyond a certain

stage, years in the service do not affect job performance. Indeed, some other empirical evidence suggests that employees in the early, rather than advanced, stages of organizational membership have a higher rate of acquiring more tenure-related resources (Ng & Feldman, 2010). As a result, employees begin with little or no organization-specific human capital and learn more during the early stages of socialization.

### **5.1 Conclusion and recommendations**

According to the study's findings, job tenure has a positive and significant influence on employee-customer relationships in the Nigerian banking industry. That is, there is a significant influence of organizational demography in terms of job tenure on performance in the Nigerian banking industry in terms of employee-customer relationships. According to the study, banks should encourage employees to stay on the job through motivation and incentives so that they can gain relevant experience on the job and thus contribute to the bank's growth and achievement of its overall goals. To that end, human resource managers should be concerned with the characteristics and foundation of employees who are best suited to work positions. To accomplish a fit between the activity and the jobholders, managers either need to make the activity to coordinate the individual trademark or make the people attributes to coordinate required employment.

### **5.2 Contribution to knowledge**

The primary focus of this study was on the impact of job tenure on employee and customer relationships in the Nigerian banking industry. To the best of the researcher's knowledge, the position of this study, which indicates that job tenure has a significant influence on employee/customer relationships in the Nigeria banking industry, contributes to the literature because there was little or no evidence of such work in the study area. The thought that job performance is the total expected value to the organization of discrete behavioral episodes that an individual performs over a standard period of time has a positive influence. Employees who are able to perform better (high performers) usually have a higher priority in being hired than those who are not. This is because organizational successfulness is usually based on the organizational performance which is largely depending on the performance of every single employee in the company.

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