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ORGANIZATIONAL CLIMATE MEASURES AS A PREDICTOR OF EMPLOYEE COMMITMENT IN THE NIGERIAN BANKING SECTOR

Adeku Salihu Ohiani¹, Oluyemi Theophilus Adeosun¹, Waliu Mulero Adegbite^{2*}, & Bimbo Onaolapo Adejare³

¹University of Lagos, Nigeria

²University of Johannesburg, South Africa

³University of Minho, Braga, Portugal

Article Info

*Corresponding Author

Email Id: adegbitewaliu@gmail.com

Abstract

Drawing on the expectancy theory, this study explores the relationship between organizational climate measures and employee commitment in the Nigerian banking sector. The sample consisted of 382 employees drawn from forty bank branches across the Island and Mainland, Lagos, Nigeria. Path analysis and bootstrap test were conducted to test all hypotheses simultaneously. Therefore, the study adopts exploratory and confirmatory factor analysis as well as structural equation modelling to test the study model's fitness and analyze the hypotheses. The result shows that all the four dimensions of organizational climate identified in this study (i.e., autonomy, cohesion, fairness, and recognition) positively and significantly influence employees' commitment. The study recommends that an organization build an effective and efficient organizational climate that enhances cohesion and bond among employees, which leads to employee commitment towards achieving the goals and objectives of the organization.

Keywords

Autonomy, cohesion, employee commitment, fairness, organizational climate, recognition, banking industry



1. Introduction

The 21st century has created an unstable environment for business organizations amidst

the technologies of the fourth industrial revolution, labor market transformation, and changing work environment. Discussion around

organizational climate as a vital component shaping employees' commitment and firm

performance is at the core of debate among academics and professionals (Rahmayanti *et al.*, 2017; Umoh *et al.*, 2013). Also, organizational culture, involving the norms, values, beliefs, habits, and vision, has been quantified and perceived as an essential element of organizational climate in the 21st-century workplace (Aldridge & Fraser, 2017; Britton, 2018). Undoubtedly, the banking sector plays a pivotal role in every economy, but not without some challenges from debilitating climatic conditions, high staffing turnover, technology disruption, consumer sensitivity, and change in economic policy (Badran *et al.*, 2020).

According to the literature, excessive workload, casualization, outsourcing, overtime, and low management support for career development are common practices in the banking sector, especially in developing countries (Le Roux, 2020; Lin & Lin, 2011). The nature of banking business in most developing economies necessitated the performance-driven approaches adopted in the sector and often resulted in high financial targets and a hostile climate in the industry (Hirtle *et al.*, 2016; Kipsegerwo *et al.*, 2016; Smith & Bititci, 2017; Wagacha & Maende, 2017). Evidence in the literature reveals that employee commitment is one of the major challenges confronting organizations in the 21st-century workplace (Ebikeseye & Dickson, 2018; Coetzee, 2005). In the opinion of Rousseau (2011), the increase in global competition

deepens economic instability, generating a vague atmosphere for employers and their employees.

The success of banks largely depends on their workforce being a service-oriented sector. Furthermore, the ability of banks to survive and compete in the face of competition and rapid technological innovation is a function of the quality of their services and the customer's perceptions about how they are being treated (Ebikeseye & Dickson, 2018; Katz & Kahn, 2004). Banks are expected to acquire and train the right employees for the jobs and to ensure that a good atmosphere is created for them to retain committed employees for effectiveness, efficiency, and improvement in carrying out their tasks (Adebisi *et al.*, 2019; Davidson, 2003; Kipsegerwo *et al.*, 2016).

Since organizational climate describes the subjective feelings employees encounter in the workplace (Britton, 2018 & Rousseau, 2011), the present study conceptualized it primarily as the perception of employees about their working environment. According to the literature, the set of features and characteristics that affect employee behaviors within the organization over time symbolizes the climate in such an organization (Andries, 2014; Rahmayanti *et al.*, 2017; Wagacha & Maende, 2017). Aysen (2018) argued that organizational climate is vital in understanding work-related behavior, employee attitude, and personality traits. Previous studies have classified organizational climate variables as reward and negotiation, feedback, management values, career growth opportunity, management policy, and motivation, among

others (Andries, 2014; Chaur-Iuh, 2014; Rashmi, 2014). A conducive working climate will lead to job satisfaction and the high commitment of individuals working with the organization (Aldridge & Fraser, 2017; Le Roux, 2020; Wolfred, 2020). In Nigeria, the reforms introduced in the banking sector in 2004 marked the beginning of the consolidation era with more than thirteen reform agendas (CBN, 2012). The core of the reforms was raising banks' minimum paid-up share capital from 2 billion to 25 billion Naira for banks operating in Nigeria. The payment system tagged vision 2020 was launched in 2007 to enforce cashless policy and further strengthen the Nigerian payment system by facilitating a wider range of electronic payment methods like the point of sale terminals (Sanusi, 2011). The policy aims to reduce the cost of banking in Nigeria, encourage financial inclusion, increase the quantity of capital available for investment in the banking sector, reduce tax evasion, and drive real economic growth in the country (Okafor, 2019). Consequently, the present-day banking system in Nigeria is different compared to the pre-2004 era. For instance, the Central Bank of Nigeria (CBN) introduced Treasury Single Account (TSA) policy, whereby government ministries, agencies, and parastatals are no longer keeping their proceeds with commercial banks but with the apex bank through a single account. Implementing the policies led to most bank employees being given huge sales targets and sourcing additional customers to increase the deposit base to mitigate the effect of TSA. The

introduction of several policies has caused glitches for the management because the previous accounts that generated substantial revenue for their banks have been moved to a single account with the central bank (Adebisi *et al.*, 2019). It, therefore, argued that these policies and other factors could affect the organizational climate of banking operations in Nigeria. Previous studies revealed that organizational climate is complex and includes several features and characteristics. Some strands of the research argue that teamwork and reward systems are essential in building a productive organizational climate that would enhance job-related performance and workers' commitment (Aldridge & Fraser, 2017; Park & Doo, 2020; Shadur *et al.*, 2014).

This study followed the path of research, which argues that certain organization features have been confirmed to exert significant influence and are instrumental to a sustainable and effective organizational climate (Schneider, 2000; Tamunomiebi, 2019; Uhunoma *et al.*, 2020). In line with the latter, Li & Mahadevan (2017) reported that any organization that upholds employee autonomy, cohesion, fairness, and recognition will experience a high level of employee commitment. Given the above, this study investigates the relationship between specific organizational climate factors (i.e., autonomy, cohesion, fairness, and recognition) and employee commitment.

Specifically, the study intends to determine the influence of each organizational climate feature on employee commitment in the Nigerian banking sub-sector.

2. Literature Review

2.1. Organizational Climate and Dimensions

Organizational climate plays a key role in the corporate context and is vital to enhancing employee commitment. There is a need for organizational practices and approaches to guarantee compatibility between climate and the commitment of employees in the place of work (Park & Doo, 2020; Schwartz & Davis, 1981). Therefore, for firms and managers to successfully harmonize the practices of organizations with their climate, the information about how one affects the other is essential (Shadur *et al.*, 2014). Also, organizational experts and scholars have argued and advanced the importance of organizational context from the perspective of individual factors such as personality, readiness to partake, and mindset; and organizational factors like structure, types of tasks, and society on participation outcome (Wolfred, 2020).

Schneider (2000) argues that organizational climate debates are more about how to measure climate than what to measure. Furnham and Gunter (1993) opine that there are climate measures that have fundamentally divergent views over what should be measured by organizational dimensions. In the opinion of Aldridge & Fraser (2017), organizational climate dimensions have formal and informal levels. The formal level of organizational climate involves structure, management practices, policy, decision-making, objectives, task specialization, standards, and rewards. In contrast, the informal level consists of identity, the needs of employees, information dissemination, interactive communication, responsibility, support, warmth, and conflict management (Aldridge & Fraser, 2017). See figure 1 for dimensions of organizational climate.

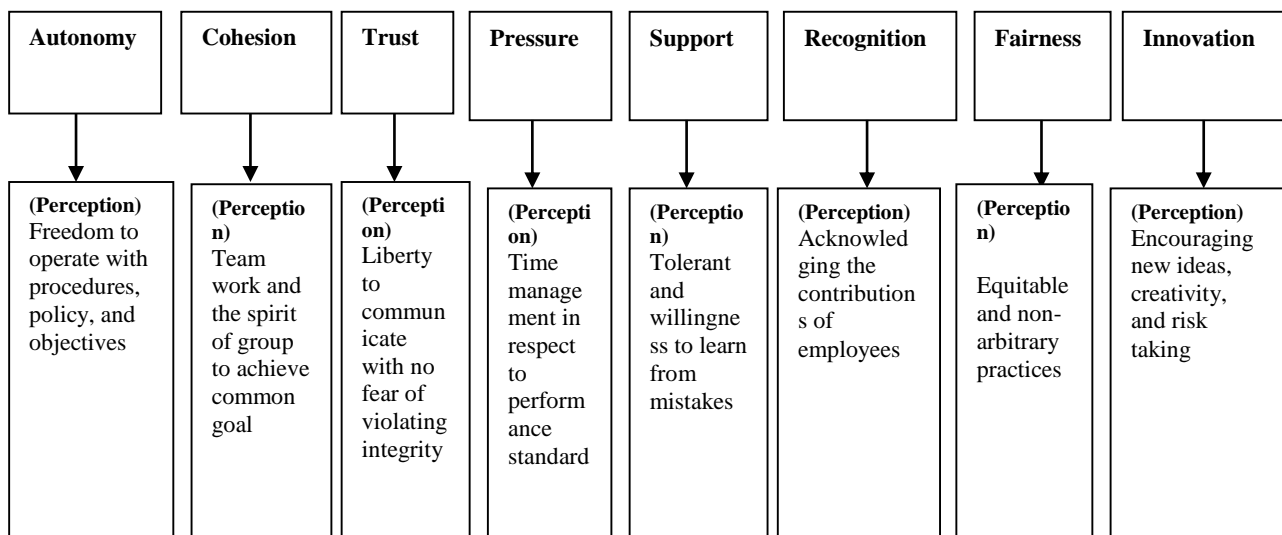


Figure 1. Dimensions of Organizational Climate

Source: Martins and von der Ohe (2003). Psychological Climate Dimensions

2.1.1. Employee Commitment

Employee commitment is an essential part of

organizational survival tool that can enhance effectiveness and affirmative perception

(Schneider, 1990; Tamunomiebi, 2019). It is assumed in the literature that organizations and employees tend to mutually benefit when employees are well informed about the issues that involve them. They have the opportunity to participate in the decision-making critical to their tasks. However, work could suffer when employees are not adequately informed about what to do at their working place and when the environment does not permit cordial relationships and interaction among workers (Daoust, 2019; Schneider, 2000). The perception of employees in the organization has a key role in the level of their commitment. Organizational Climate is one of the major factors that inform workers' perceptions of their commitment (Uhunoma *et al.*, 2020). The climate of an organization can set the firm's tone and influence or soil employees' commitment.

2.1.2. Organizational Climate and Employee Commitment

Employee commitment depends on the established organizational climate (Arya & Sainy, 2017). In Firth *et al.* (2007) opinion, the association between climate and various organizational outcomes becomes more visible when potential conflict exists among the subject in the organization. The literature has collectively focused on the importance of leadership in organizational climate management towards achieving outcomes like higher productivity, superior performance, and innovation (Allameh *et al.*, 2012; Otieno *et al.*, 2015). The rising importance placed on understanding the behavior of employees within the organization has no

doubt produced a wide interest in examining employees' perceptions within the organization's climate (Firth *et al.*, 2007). According to Arya and Sainy (2017), workers tend to be more committed when a healthy work environment like organizational culture and communication practices can engender suitable and friendly platforms for employees to express their worries and develop their potential. Employee's commitment level can be enhanced by recognizing its drivers-influential factors and utilizing them properly (Otieno *et al.*, 2015). The key source of sustainable success for an organization is to create an environment that workers can see as caring and friendly, using their maximum capacity. In the opinion of Li and Mahadevan (2017), given that individuals contrast in how they perceive, analyze and give interpretations to information, the organizational climate remains a vital recognition because climate is an individual's psychological description. The climate considered by an organization creates an understandable and lucid direction for employees in guiding them towards achieving objectives and goals (Raid *et al.*, 2016). However, employees are psychologically complex; their commitment is a personal mental bond with the work connected with the organization's climate (Raid *et al.*, 2016). Employees are ready to make sacrifices for the organization and eager to give their best and dedication to any appealing climate created by the organization to attain goals and objectives (Kanter, 1968).

3. Theories and Hypotheses Development

3.1. Expectancy Theory

According to Vroom (1964), the theory advocates that managers are expected to use individual expectations to inspire employees towards commitment. Expectancy theory advances that any particular action exhibited by individual results from certain expectations from the organization. However, if the expectations are lower than the inducement, it could reduce employee engagement, but when expectations seem higher than inducement, employees' commitment could be enhanced. On this note, expectancy theory is a fundamental concept that preferences an employee's actions determined by possible imaginable results and the association between the outcomes and the action espoused (Barba-Sánchez & Atienza-Sahuquillo, 2017; Vromm, 1996). This underscores why commitment is associated with the psychological connection of employees to their organizations (Singh & Karki, 2015). When organizations recognize the employees, they desire to contribute more to achieve better results (Firth et al., 2007).

3.2. Autonomy and Employee Commitment

Naqvi et al. (2013), on work design demonstrates the idea of autonomy as a central part of work design characteristics that portray freedom employees enjoy in the workplace, especially being independent to some extent and self-directing. In the opinion of Okafor (2019), autonomy tends to set up a standard of what is superior to an employee. It is naturally visualized

as a psychological state and a kind of emotional development to appraise what people do in their working place (Spriggs, 1998) or purposeful behaviors to have power in controlling situations (Graff, 2006). Autonomy is an act of making choices and freedom to make decisions as a self-directed individual who can take independent actions and embark on things based on one's consideration (Henkel, 2005; O'Neill, 1984; Sneddon, 2001).

Therefore, autonomy reveals the degree to which employees have the liberty to operate by choosing steps that can engender their commitment toward completing the tasks given to them, as the decisions made under autonomy are always premised on expertise and not on the imposed power of the superiors. Similarly, Dee et al. (2000) argue that autonomy is the extent to which firms allow freedom and carefulness in the actions carried out in the job. Given the above, this study proposed that:

H₀₁: Autonomy has a significant influence on employee commitment

3.3. Cohesion and Employee Commitment

Cohesion can be related to many work outcomes and desirable behaviors in decision-making, motivation, commitment, creativity, and certain industrial actions that can negatively affect the operations of organizations (Baig, 2019; Chidambaram, 1996). Cohesiveness, within the context of employee commitment, is one of the key concepts to understanding the behaviors and the dynamics of a group in the organization. Cohesion has generally been associated with

superior organizational and individual outcomes because an environment that allows groups to relate and form a team can encourage commitment (Nyakaro, 2016). According to Stewart et al. (2000), organizations that promote cohesion among employees tend to have the potential to boost morale, job commitment, and satisfaction. Therefore, cohesion is an instrument to enhance loyalty, commitment, job performance, and employee motivation (Ogungbamila, Ogungbamila & Adetula, 2010). From the foregoing, and given the review outcomes, this study hypothesized that:

H₀₂: Cohesion has a significant influence on employee commitment

3.4. Fairness and Employee Commitment

Fairness is fundamental in the organization because an individual treated fairly could feel motivated and give more in return (Blau, 1964; Kim & Beehr, 2018). Understanding what an employee recognizes as fair treatment encourages bi-directional relationships between the superior and subordinate (Nyakaro, 2016). Employees will always be ready to be committed by dedicating their time and effort to execute their tasks when they perceive being fairly treated by the system or their superior (Cropanzano & Mitchell, 2005).

Sometimes employees expect tangible outcomes like benefits and fair pay in return for the job outcomes, and intangible rewards like a good work environment, fair promotion, delegation, and respect as the relationship between their actions and the rewards they get for their efforts

(Nyakaro, 2016). For instance, when a firm provides these, employees are ready to be reasonably committed to the organization and their jobs (Cropanzano & Mitchell, 2005). Based on the above, this study proposed that:

H₀₃: Fairness has a significant influence on employee commitment

3.5. Recognition and Employee Commitment

Acknowledging employees or giving attention to the performance achieved by their efforts is regarded as recognition, and this could be formal or informal to reinforce particular behavior (Nyakaro, 2016). In an organization whereby recognition is well embraced, employees' efforts and contributions are acknowledged without delay to encourage them to do more (Martin, 2005).

Recognition can affect the performance of an organization especially when it is used to measure commitment by making employees realize the company's tendency to become aware of their efforts and reward outstanding performance (Nyakaro, 2016).

For this reason, commitment is when actions bind employees as a result of a system that recognizes the efforts that contributed to the success of the actions (Martin, 2005). Considering the relationship between rewards systems and employees' commitment as enunciated above, this study seeks to examine the link between the two constructs using the sample from the Nigerian banking sector, thus, hypothesizing that:

H₀₄: Recognition has a significant influence on employee commitment

4. Methodology

4.1. Research Design, Population, and Sample

This study adopts a quantitative approach through questionnaire to gather information. Employees were selected from forty bank branches on the Island and Mainland of Lagos, Nigeria. Each bank outlet has about thirty-five employees, excluding those engaged on a contract basis. Using a convenient sampling method, a total of four hundred questionnaires was administered, with 382 cases returned and valid for analysis. Both senior and junior employees participated in the survey, and all respondents consented to their participation. A general reliability test was conducted, and the results revealed 0.79, above 0.70, as Nunnally (1978) recommended as the baseline of acceptable reliability. Descriptive and inferential analyses were performed using the Amos-SPSS package.

4.2. Measures

This study adapted and modified instruments used in previous studies. For autonomy, the scales of Lifton (1983) and Breugh (1999) were used, while Brawley *et al.* (1987) and Decoster *et al.* (2013) scale on cohesion were adopted. Items that measure fairness and recognition were adapted from Getnet *et al.* (2014), Hassan (2012), and Montani *et al.* (2017). Regarding employee commitment, items from O'Reilly and Chatman (1986) and Soumyaja *et al.* (2011) were used. The questionnaire was validated by three professors

who are experts in organizational climate and employee commitment. The study adopts the Amos-SPSS package (exploratory factor analysis, confirmatory factor analysis, and Structural Equation Model) to analyze the hypotheses stated in the study. Given that the study aims to examine the measured and latent relationship among variables (organizational climate and employee commitment), the structural equation model is justified as the appropriate tool for hypotheses analysis (Md Ghazali, 2016).

5. Data Analysis

5.1. Confirmatory Factor Analysis

Before conducting the structural equation model, the scale's internal consistency and unidimensionality need to be evaluated. The Cronbach alpha analysis was conducted to test for the scale's internal consistency on organizational climate and employee commitment. The results for each scale, according to table 1, show that the values are above 0.70, as Nunnally (1978) recommended being the threshold of acceptance for conducting internal consistency. An instrument has content validity if there is a consensus between the research constructs and literature. The constructs used in the study have content validity because the items developed for each variable were guided by a validated scale from the literature. Also, the validation was done by experts in the field. Furthermore, constructs validity is the extent to which variable measures what it is set out to measure (Md Ghazali, 2016).

Table 1: Measurement Reliability

| Measurement Items | CFI | Mean | SD | R ² | Factor Loading | Cronbach Alpha | CR | AVE |
|-------------------|-------|------|-------|----------------|----------------|----------------|-------|-------|
| AUT3 | 0.911 | 4.21 | .818 | 0.632 | 0.852*** | 0.731 | | |
| AUT4 | | 4.05 | .995 | | 0.779*** | | | |
| COH1 | | 4.00 | 1.034 | | 0.773*** | | | |
| COH2 | | 3.75 | 1.171 | | 0.846*** | | | |
| COH3 | 0.934 | 3.84 | 1.074 | 1.038 | 0.778*** | 0.711 | 0.708 | 0.545 |
| COH4 | | 3.76 | 1.175 | | 0.859*** | | | |
| COH5 | | 3.99 | 1.055 | | 0.738*** | | | |
| FA1 | | 3.93 | 1.062 | | 0.804*** | | | |
| FA2 | | 3.87 | 1.067 | | 0.744*** | | | |
| FA3 | 0.910 | 3.74 | 1.215 | 0.873 | 0.798*** | 0.801 | 0.718 | 0.603 |
| FA 4 | | 3.85 | 1.254 | | 0.787*** | | | |
| FA5 | | 3.65 | 1.287 | | 0.813*** | | | |
| REC1 | | 4.05 | 1.053 | | 0.660*** | | | |
| REC2 | | 3.99 | 1.068 | | 0.710*** | | | |
| REC3 | 0.919 | 4.10 | .934 | 0.864 | 0.725*** | 0.762 | 0.721 | 0.745 |
| REC4 | | 3.81 | 1.041 | | 0.612*** | | | |
| REC5 | | 3.88 | 1.047 | | 0.705*** | | | |
| EM1 | 0.889 | 3.85 | 1.009 | 0.202 | 0.562*** | 0.843 | 0.823 | 0.632 |
| EM2 | | 3.77 | 1.068 | | 0.614*** | | | |
| EM3 | | 3.64 | 1.097 | | 0.784*** | | | |
| EM4 | | 3.17 | 1.369 | | 0.830*** | | | |
| EM5 | | 3.22 | 1.322 | | 0.773*** | | | |

Note; CR: Composite Reliability, AVE: Average Variance Extracted, CFI: Confirmatory factor analysis.

Exploratory factor analysis was used to test the construct's validity through the principal-component extraction with varimax-rotation to ascertain the relevant items from each construct of the study. The constructs are valid when the homogeneity and the adequacy of the data using the Kaiser–Meyer–Olkin (KMO) measure and Bartlett's test of sphericity (BTS) are beyond a recommended acceptance threshold. A KMO value close to one and a significant (BTS) show strong inter-correlations among constructs (Lowry & Gaskin, 2014). The results of the KMO is 0.838 and BTS is ($\chi^2= 43855.593$, $p= 0.000$, and < 0.05). Hence, the model shows homogeneity and adequacy of data using the principal-components analysis and setting the eigenvalue greater than one. The total number of items in the model is thirty-five, and only twenty-six were used. However, the varimax rotation results and the extraction communalities in the principal component analysis made thirteen items unusable. This is because the factor loadings for these items were less than 0.5. Thus, three items (AUT3, AUT2, AUT1) were deleted from autonomy; one item (REC1) was expunged from recognition, two items (FA6, FA7) were deleted from fairness, while two items (COH6, COH7) were also deleted from cohesion. Therefore, the results show that there is construct validity.

5.2 Unidimensionality

Confirmatory factor analysis (CFA) is used to measure whether all items in a construct measure what it is supposed to measure for hypothesis

testing (c & Hua, 2010). Hence, CFA was used to determine the unidimensionality criteria to assess the loadings of the items. Each of the constructs was assessed using confirmatory fit index (CFI), composite reliability (CR), and average variance extracted (AVE). The comparative fit index was used to assess the study model's and null model's fitness to ascertain whether there is no association between the model's constructs. When the value of CFI is above 0.90, the study construct represents a good fit for the data (Lowry & Gaskin, 2014). Hence, the CFI values shown in Table 1 for all constructs are above 0.90 and therefore offer good model fitness. On the other hand, the composite reliability was used to assess the internal consistency of each construct concerning the modification of an observed variable from their latent factor. According to the literature, a construct with a 0.70 value and above has internal consistency (Lowry & Gaskin, 2014). As indicated in Table 1, all the constructs have a value between 0.711 and 0.843. AVE is the degree of the modification captured by a construct from the total amount of measurement error experienced in a model. According to Sarstedt and Mooi (2014), the value of the average variance extracted must not be less than 0.50. As shown in Table 1, the AVE values of all constructs in this study range from 0.545 and 0.745. Thus, the average variance extracted further support the unidimensionality of the measurement model used for the analysis.

Table 2: Results of CFA Model

| | X ² | df | P | CFI | TLI | IFI | GFI | RMSEA |
|-------------------|----------------|-----|------|-------|-------|-------|-------|--------------|
| Measurement Model | 2.411 | 199 | .000 | 0.937 | 0.930 | 0.913 | 0.904 | 0.07 |
| Recommended Value | ≤ 2 or 3 | | | >.9 | >.9 | >.9 | >.9 | < .05 to .08 |

Where: (X²/DF) = Degree of freedom/Chi-square; NFI= Normed fit Index; TLI= Tucker Lewis Index; CFI= comparative fit index; IFI= Incremental fit index GFI= Goodness-of-fit index RMSEA= Root mean square error of approximation. The measurement model was to ascertain the fitness of the constructs for the structural relationship and test of hypothesis. The results of the CFA, as shown in Table 2, indicated a perfect fitness of unidimensionality at (X²/df = 2.411, IFI, =.913, CFI=937, TLI=930, GFI = .904, and RMSEA = 0.07) where, (X²/df) represents the chi-square, (IFI) represents incremental fits index, (CFI) represents

comparative fits index, (TLI) represents tucker lewis index and (RMSEA) represents roots mean square error of approximation. thus, the model shows impeccable fitness and is good for testing the stated hypotheses using the structural equation model (Nusair & Hua, 2010).

5.2. Results of the Hypotheses Testing (Path Analysis)

Given the excellent fit with the results generated from the confirmatory factor analysis, which justifies using the structural equation to test the stated hypotheses, the study analyzes the four hypotheses using the structural equation model.

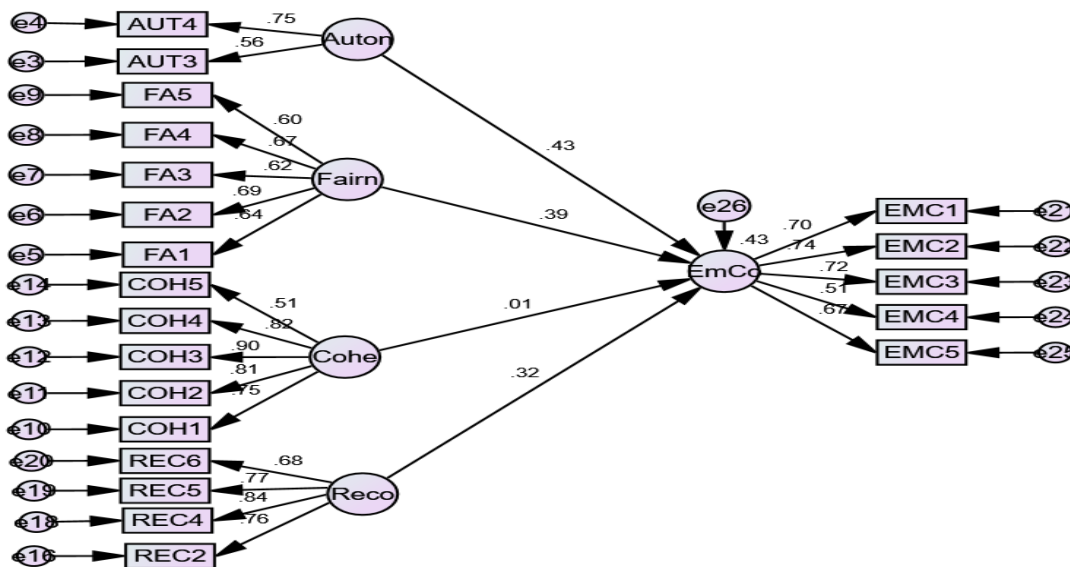


Figure 2: Standardized Path Model

Hypothesis one: this hypothesis examines if autonomy, an element of organizational climate,

has a significant and positive influence on employee commitment. Results from SEM

analysis show that there is a significant and positive relationship between autonomy and employee commitment ($t= 4.635$ ($p<0.01$) and $= 0.43$). This finding aligns with the study of Tamunomiebi (2019), who found a positive relationship between autonomy and employee commitment in a sample of telecommunication workers.

Hypothesis two: the significant influence of cohesion, one of the dimensions of organizational climate, was examined on employee commitment, and the result was positive ($t= 0.240$, $p<0.01$ and $= 0.01$). This finding is in tandem with Banwo *et al.*, (2015), who studied the impact of group cohesiveness on organizational commitment and performance. Their study revealed a positive relationship between group cohesiveness and employee commitment, leading to organizational performance. Also, the findings of Iskandar (2019) showed that group cohesion could affect employees' commitment, thereby engendering improved productivity.

Hypothesis three: this hypothesis examines if fairness significantly influences employee commitment, and the result shows acceptance at $t= 5.118$ ($p<0.01$) and $= 0.39$. This finding aligns with the work of Nnaji-Ihedinmah *et al.*, (2020) with the submission that fairness as a dimension of organizational climate has a significant association with employee commitment. The above implies that when employees have the impression that there is fairness and social justice, they tend to be more committed to actualizing organizational goals.

Hypothesis four: this hypothesis examines if recognition as an element of organizational climate significantly influences employee commitment, and the result shows acceptance at $t= 4.745$ ($p<0.01$) and $= 0.32$. This finding aligned with Nyakaro's (2016) work, which affirms that acknowledging employees, giving attention to their performance, and rewarding (formal or informal) their contribution towards organizational goals could enhance their commitment and performance.

6. Discussion and Conclusion

An organization's climate for its employees goes a long way to influence employees' commitment, particularly in the banking sector because of the large number of customers that consume their services. It is established in this study that employees prefer making decisions that can satisfy the needs of customers and the progress of the organization they represent, as supported by Naqvi *et al.*, (2013). The latter believe that an increase in job autonomy brings about an increase in job commitment. Though there are certain decisions employees, especially those at the bottom of the ladder, may not be able to take on behalf of the management. Some employees may not attach importance to their freedom in deciding on behalf of the organization, but there are other aspects they value than their freedom in the organization. Teamwork in the banking sector in Nigeria in the form of cohesion has a positive and significant impact on employee commitment. This is because team bonding tends to increase morale, as established in this study. Employees can achieve better results when they work as a

team rather than individually. The study of Morrison (2008) also alludes that an employee with high negative relationship in the workplace cannot be committed, and there is every tendency that such worker can leave the job early. This has demonstrated why banks in Nigeria should not overlook the importance of team bonding on the commitment of their staff since some employees could use it as an avenue to intensify informal relationships. Fairness significantly influences employee commitment because rewards commensurable to the efforts exerted in the course of achieving firm objectives tend to improve job commitment. It is established in the findings of Krishnan et al. (2018) that the interactional justice of performance appraisal is a predictor of commitment behaviors. In other words, fairness may not be an issue in the banking sector because there are electronic or modern performance appraisal techniques that measure the performance of individual employees virtually in all banks in Nigeria. This does not mean employees are not conscious of how they are treated fairly in other aspects like bonuses, profit sharing, promotion, or other monetary incentives. This study also established that recognition has a significant and positive influence on employee commitment. According to Nyakaro (2016), the importance of recognition of employee commitment can no longer be overlooked due to employees' sensitivity to what they get from the extra contribution made during tasks and assignments. For this reason, acknowledging hard work can motivate employees to put more effort into their respective

tasks. Employees will also want to do more when they discover that the management is treating them like part owners of the business. Regardless of the forms of recognition, it is demonstrated in this study's findings that recognition significantly influences employee commitment in the Nigerian banking sector. Based on these findings, it is concluded in this study that organizational climate through autonomy, cohesion, fairness, and recognition can significantly impact employee commitment.

7. Policy Implication

Bank managers in Nigeria could give employees more freedom to operate without too much supervision to encourage self-training and development, which can be helpful for the organization in the hyper dynamic business environment. Team bonding is an aspect that banks in Nigeria need to encourage, as this would engender a peaceful atmosphere and influence synergy towards achieving better results. Similarly, the findings of this study are in tandem with integrated theory, expectancy theory, and self-determination theory. For instance, employees will be more committed when they notice an integration of purpose in the organization and their expectations are moderately considered. Employees feel more satisfied when they have the autonomy to make decisions and are well recognized when such decisions yield good results for the organization. Reward and promotion should therefore be based on merit to encourage workers to commit more of their efforts towards achieving outstanding results in the place of work. The efforts exerted,

and the results achieved by the employees should be appropriately and timely acknowledged and reinforced to allow a sense of belonging to dominate in the mindset of such workers. Banks in Nigeria should examine the climate employees deserve and appreciate at every point to avoid engaging in practices that cannot motivate or warrant job commitment. For instance, financial reward is a major reason why some employees show commitment, while others would instead prefer recognition. The outcomes of this study may not be generalized to all banks or organizations because of its limited scope. For instance, due to the marketing potential in the areas, the questionnaire was administered to employees of selected banks on Lagos Island. Again, only four components of organizational climate (autonomy, cohesion, fairness, and recognition) were considered vis-à-vis employee commitment. However, it is a pointer for organizations and further studies to know the particular element of organizational climate that primarily drives employee commitment in the place of work.

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