

Negative effects of casualisation in Sokoto, Nigeria's banking sector

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Abstract: Contract workers are the direct victims of casualization but beyond that, the effects they suffer transcend to their families and the larger society. The study examined the effects of casualization on the contract workers of banks in Sokoto, Nigeria. The primary methods of gathering data for the study were in-depth and key informant interviews, with sixty individuals who were specifically chosen. Following content analysis, the gathered data were presented narratively with verbatim quotations. According to the study, there are a number of negative effects of casualization, such as low wages that contribute to a low standard of living and the inability of employees and their families to adequately meet their basic needs, the arbitrary termination of casual employees without cause, and the lack of a claim for work-related injuries or diseases in the event of an accident or death. The overall inference is that the temporary employees are working in appallingly subpar conditions. The study suggests that in order to raise the living standards of their temporary employees, banks should provide welfare packages. Additionally, because inflation is on the rise, contract employees' compensation should be reviewed upward.

Keywords: bank; inflation; poverty; standard of living; unemployment

1. Introduction

Karl Marx argued that in a commercial society, the relationship between the owners of the means of production and the laborers is inherently exploitative within all plutocratic systems. This exploitation arises because laborers are compensated at rates disproportionate to the amount of work they perform. According to Erwin (2015), one of the most significant and transformative trends in the modern working world is the increase in casual employment, which started in the 1980s and persisted through the mid-1990s. This trend has been widely acknowledged by researchers.

The fiscal sector is riddled with instances of casualization, an "invisible chain" of labor conditioning that can be traced back to Nigeria. Companies often rely on groups known as contractors, leading to a significant portion of Nigeria's fiscal industry labor force being composed of temporary workers. Labor abuse in Nigeria is widespread across numerous industries (Kaseem, 2004). Anugwon (2007) identifies various manifestations of labor exploitation, such as low wages, poor stipend and payment systems, payment arrears, inadequate staff training, detention during production, lack of motivation, lack of a sense of belonging, job dissatisfaction, and demonization of work and workers. Casual workers, who can be found in a wide range of jobs including growers, plant workers, bankers, shop assistants, machine operators, artists, and computer technicians, often receive salaries below entry-level requirements. They remain in these positions due to the scarcity of alternative employment opportunities. Most of these workers are part of the informal sector, working informally whether or not they have regular jobs.

Courtois and O’Keefe (2015) define casualization as a process of decreasing job security, where workers are not guaranteed full-time employment but are instead employed part-time. This type of irregular employment arrangement is described using various terms, including contract work, temporary labor, seasonal work, and casual work. Casualization is the shift from predominantly full-time, stable jobs to more flexible, intermittent, or sporadic occupations (Fapohunda, 2012; Luswili, 2009). Understanding the distinctions between the three types of casual labor is essential: independent contractors, workers supplied by a labor broker, and employees directly hired by the company. First-class casual labor refers to workers hired directly on a temporary or casual basis by a business to manage peak demand. The second type involves a triangular work contract where a labor broker supplies workers to a firm. This raises questions about whether the company or the labor broker is the actual employer. Despite being employed by the labor broker, workers often feel a connection to their workplace, especially if their deployment is extended. The third group includes freelancers and employees working from home, who also fall under informal workers.

The effects of casualization on employers include high recruitment, interviewing, and training costs. This implies that employers will incur significant expenses due to frequent turnover. Tinuke (2012) indicates that high turnover can lead to a shortage of staff to perform essential daily functions, resulting in overworked and frustrated employees. Additionally, high turnover poses challenges for continuity and process consistency, as it leads to constant disruptions in organizational activities, the socialization of new employees, and their training.

Casualization can gradually harm the national economy. It produces individuals who are overworked with little earnings, resulting in minimal or no savings for retirement. Consequently, an overworked population that relies on government support emerges, straining government welfare resources and leaving individuals dependent on societal assistance. The growth of the casual workforce has both positive and negative implications. On the positive side, casual employment allows workers to balance paid work with other activities such as education, and it provides employers with a more flexible workforce. However, the practice’s damaging effects on the financial market, employees, and the national economy make the growing casualization of labor by financial institutions, particularly banks, a significant concern for stakeholders. Bank returns and examination exercises by the Nigerian Deposit Insurance Cooperation (NDIC) show a strong correlation between high instances of fraud and the use of contract and outsourced workers. Casual employees, who make up 25% of the banking industry’s workforce, negatively impact the sector, as some institutions often assign them sensitive tasks, increasing the risk of financial fraud (NDIC, 2016). A 2016 NDIC investigation revealed that over 75% of fraud cases in the industry could be linked to outsourced bank employees who were neither professionals nor employees of the Central Industrial Bank of Nigeria (CBN).

The desperate attempts by banks to acquire deposits can be linked to cost-cutting, profit-maximizing, and the casualization of labor. This trend increased with the opening of several banks in the 1990s and worsened during the 2006 bank consolidation and recapitalization program of the Central Bank of Nigeria. Years after the recapitalization process, the need to maintain investment profitability continues to

drive banks to use strategies like casualization to lower labor costs while attracting clients to open accounts (Odey, 2017). According to Lavaud-Legendre (2024), there have been instances where young women are hired under the pretext of contract employment, which often disguises exploitative practices such as corporate prostitution. These women are sometimes coerced into relationships or activities that go beyond their professional duties, highlighting severe ethical and legal violations within these institutions. In contrast, older contract workers are often placated with minimal stipends, designed to create a superficial sense of belonging within the company. This practice, as discussed by Cebola et al. (2023) reveals a dual strategy of exploitation and manipulation, where older workers receive just enough compensation to feel affiliated with the organization, but not enough to secure substantial economic stability or benefits.

These exploitative employment practices are part of a broader pattern of casualisation in the Nigerian banking sector, where job insecurity and inadequate worker protections are rampant. The casualisation trend undermines job stability and worker morale, contributing to a hostile work environment. Tsertekidis (2023) argue that this casualisation leads to a significant disparity in the treatment of employees, with young females facing the brunt of the exploitation. The underlying issues reflect a systemic problem within the employment framework of many Nigerian banks, where the rights and well-being of workers, especially contract employees, are often neglected. Addressing these issues requires robust regulatory measures and stringent enforcement to protect vulnerable workers from exploitation and ensure fair employment practices. Against this background, this study examines the effects of contract work in the banking industry in Sokoto, Nigeria.

2. Materials and methods

The study examined the impacts of contract work in the banking industry in Sokoto, Nigeria, using equity theory as a theoretical framework. A qualitative method was employed, with participants selected purposively. In-depth interviews were conducted with sixty contract staff, and key informant interviews were carried out with ten management staff. The recruitment of participants occurred between 30 January 2022, and 30 April 2022. Thematic analysis was used to analyze the collected data. Recorded conversations were transcribed into written form, then studied and linked with analytic notes. The researcher familiarized himself with the data by repeatedly reading the transcripts. The data were categorized into sub-themes, with various categories falling under each theme according to the research objectives. The data were organized by theme and presented narratively using verbatim quotations based on each research objective, then interpreted based on sub-themes. The analysis followed these themes, such as the downward pressure on working conditions, low standard of living, and so on, and presented the findings in alignment with the study's objectives.

3. Ethics statement

The research was carried out in accordance with the ethical guidelines established by Universiti Kebangsaan Malaysia, which ensured the participants' informed

permission, confidentiality, and anonymity. The Faculty of Social Sciences and Humanities of Universiti Kebangsaan Malaysia examined and approved the work. All participants in the study provided their informed permission. During the study, the contract workers received thorough explanation of the nature, aim, and purpose of the research, and the importance of their involvement as well as the expected contribution it will make. They were briefed about their right to withdraw at any stage of the interview. Therefore, I read the consent form for them and upon their approval, verbal consent was taken to ensure their voluntary participation.

4. Results

The responses from the inquiry on the effects of contract work on contract workers indicated that the work has effects on the lives of casual workers, their families and the society as revealed by the respondents:

Our major problem is that there is no progress in this work, one remains as contract worker for over fifteen years and the money is not enough to cater for myself, my wife and children. Out of this money I pay for food, clothes, payment of rent, children school fees and so on... you can see the income is not enough compared to how we work in the organisation.

Another respondent also revealed that the work has effects on their health and physical well-being. This was indicated below:

It has effect on me because as you can see, I have lost one of my eyes as a result of working in this company. Even though I was given adequate treatment but that is not enough.

The above quotation is also presented in **Table 1** below:

Table 1. Effects of contract work on contract workers in Sokoto, Nigeria.

Participants	Key Points	Quotations
Contract Worker	Negative Effects on Families	“The effect of working as a casual worker is extended to our families, this is because the money we receive as income is too small to provide food, clothes, house rent, children’s school fees, transportation, and medical bills for our families. This exposes us to poor living standards.”
Contract Worker	Health and physical well-being	“It has an effect on me because as you can see, I have lost one of my eyes as a result of working in this company. Even though I was given adequate treatment but that is not enough.”

Field Work, 2022.

According to another respondent, the major negative effect on them is low payment as revealed as follows:

As the country’s situation become more depressive, the money is becoming very small, there is increase in prices of virtually everything, and therefore they are supposed to increase our salaries, because the value of naira has reduced drastically.

Interview with the Head of operation revealed that banks had not adjusted payment of contract workers for inflation. This was revealed as follows:

It is observed that having no any financial obligation after leaving work and low payments (entitlements) during work are most negative effects on the casual workers of banks, however it was gathered that the company takes responsibility of any worker

that got injured during work or on the way coming to work, as revealed by one of the respondents:

I once had fracture on my hand and the Company took my responsibility till, I got well and I returned to my work: I think it is now almost 8 years.

The KII conducted with the Human Resource Officer revealed that low income received by the casual workers is the major negative effect on the casual labourers of banks which according to the researcher’s observation is attributed to being not permanent as revealed by another management staff:

The effect on them is that they are on the level which they are not supposed to be, they are on lower level, but they do it because of the scarcity of job and sometime because of the job scarcity it is necessary for survival.

The responses also revealed that the work has negative effect on the families of casual labourers as revealed by another respondent:

The effect of working as a casual worker is extended to our families, this is because the money we receive as income is too small to provide food, clothes, house rent, children school fees, transportation and medical bills for our families, this exposes us to poor living standard.

The above quotation is also presented in **Table 2** below:

Table 2. Effects of contract work on contract workers in Sokoto, Nigeria.

Participants	Key Points	Quotations
Contract Worker	No progress in work, low income	“Our major problem is that there is no progress in this work, one remains as a contract worker for over fifteen years and the money is not enough to cater for myself, my wife, and children. Out of this money I pay for food, clothes, payment of rent, children’s school fees and so on... you can see the income is not enough compared to how we work in the organization.”
Contract Worker	Low Payment	“As the country’s situation becomes more depressive, the money is becoming very small, there is an increase in prices of virtually everything, and therefore they are supposed to increase our salaries because the value of naira has reduced drastically.”
Head of Operations	No adjustment of payment for inflation	“It is observed that having no financial obligation after leaving work and low payments (entitlements) during work are the most negative effects on the casual workers of banks. However, it was gathered that the company takes responsibility for any worker that got injured during work or on the way coming to work, as revealed by one of the respondents: ‘I once had a fracture on my hand and the Company took responsibility until I got well and I returned to my work: I think it is now almost 8 years.’”
Head of Operations	Low income due to non-permanent status	“The KII conducted with the Human Resource Officer revealed that the low income received by the casual workers is the major negative effect on the casual laborers of banks, which according to the researcher’s observation is attributed to being not permanent as revealed by another management staff: ‘The effect on them is that they are on the level which they are not supposed to be, they are on a lower level, but they do it because of the scarcity of jobs and sometimes because of the job scarcity it is necessary for survival.’”

Field Work, 2022.

When the researcher visited Sokoto State Ministry of Commerce and Industry as there is no Federal Ministry of Commerce and Industry in the state, the Director of Industry in the ministry informed the researcher that they don’t have a desk officer concerning any affairs of banks in the ministry, that it was only the permanent secretary in the ministry that attends Board meeting with the banks once in six months. He also added that the meeting which the permanent secretary attends with the banks had nothing to do with the contract workers of banks or their conditions, he only represents the state government in the meeting. When the Director of State Ministry

of Commerce and Industry was asked if he know that there was supposed to be a desk officer in the ministry concerning banks, he said that he don't know as they don't have a desk officer concerning banks.

5. Discussion

The effects of casualization on the contract workers of banks can be viewed from a tripartite perspective namely: the employee, the employer and the economy. The employees are the direct victims of casualization but beyond that, the effects they suffer transcend through a flow-on process to the other actors. For the employees, casualization exerts downward pressure on the wages and working conditions of those employees who are viewed as casual workers. This is partly because pay systems and employment conditions are always operated in a process that engenders comparison among the entire workforce. Zedeck and Mosier (1990) argued that the negative consequences for individual employees readily extend out to negative effects on families and the society. This is confirmed in this study as one of the participants stated that “in the event of an accident or death, workers and their dependents are left destitute because they cannot claim for injury on duty or work place acquired diseases”. This is compounded by the fact that such workers cannot afford private insurance due to the low wages. Casualisation has increased the number of unprotected workers; most of the workers who are casually employed can no longer be part or members of unions. This has reduced job security, forced workers to negotiate their positions on their own and made them vulnerable to exploitation. In addition, precariousness leads to economic insecurity for the workers and their families. Hence, in the event that a worker is a breadwinner and earns little wages, and if there is no other person working or receiving some income to augment what comes in, then the entire family is placed at risk. Many employers especially within the private and public companies champion the continuous use of casual workers, thus introducing lots of casual workers in their workplaces, sometimes structuring almost the entire workforce to be casual workers believing that casualization has numerous benefits such as increased flexibility and lower overhead costs. Employers want the freedom to pay low wages; change the numbers of workers and how and when work is conducted. Casualization however brings in its wake numerous consequences on the employer.

According to Bayo (2019), the effects of casualization to an employer include; high cost of recruitment, interviewing and hiring. This implies that employers will spend huge sums from time to time as turnover costs. Also, high turnover can create a lack of staff to complete essential daily functions of an organisation resulting in overworked, frustrated employees and dissatisfied customers. It also creates the challenges of continuity and process inconsistency as turnovers will mean constant distortion of organisational activities, socialisation of new employees and their training as well. These processes as short as their duration may seem will create gaps in the organisations activities with its attendant cost. As far as the national economy is concerned, casualization can destroy an economy gradually, its long and predominant usage produces individuals who have over-worked themselves with little earnings and consequently little or no savings for retirement, resulting in the emergence of an over-worked population who still depend on the government for

survival, thus overbearing the government welfare strength and living at the mercy of the society.

The respondents opined that they remained at the same level for a very long time in fact, in some cases, they remained as casuals for 17 years. The implication is that when one remained at the same level doing the same thing over and over again for a very long-time chances are that the work becomes monotonous. Therefore, becoming uninterested in the job, this affects his creativity as well as productivity (Dabai and Novel, 2022). Casual work according to the workers of CCNN enable them to earn a little income, barely enough to cater for the basic needs, as compared to those in permanent employment. Inadequate motivation of casuals, particularly in terms of wages and other incentives, negatively affect the workers' performance. Also, Tukamuhabwa (2012) revealed that organizational incentives in form of reward improved workers compliance and performance. This means that where there is poor or no appropriate motivation, workers are likely not to give in their best. Lastly, other effects observed were the exposure of the workers to industrial hazards such as heavy noise and dust resulting from the factory machines.

The study found that casualization did not encourage promotion or improvement thereby making work monotonous for the workers. This can be applicable to anyone, including the permanent staff (Kumin and Schoenbrodt, 2016). Also, poor wages or income results in workers low standard of living and inability to adequately satisfy their basic needs. For the employees, casualization exerts downward pressure on the wages and working conditions of those employees who are viewed as contract workers. This is partly because pay systems and employment conditions are always operated in a process that engenders comparison between the contract workers and the permanent staff (Bidwell et al., 2013). Again, banks threaten the dismissal of casual workers without any notice. In both cases, the negative consequences for individual employees readily results in negative effects on families and the society. In the event of an accident or death, workers and their dependants are left destitute because they cannot claim for injury on duty or work place acquired diseases. Casualisation has increased the number of unprotected workers; most of the workers who are casually employed were not part or members of unions. This has reduced job security, forced workers to negotiate their positions on their own and made them vulnerable to exploitation. In addition, precariousness leads to economic insecurity for the workers and their families.

6. Conclusion

The study on the negative effects of casualization in Sokoto, Nigeria's banking sector concludes that casual work has profound impacts on contract workers, their families, and the larger society. Casualization leads to low wages, job insecurity, and poor working conditions, which contribute to a reduced standard of living and an inability to meet basic needs. Workers face arbitrary termination, lack of compensation for work-related injuries, and minimal opportunities for career progression, resulting in economic and social instability.

7. Recommendation

To mitigate these issues, the study recommends several measures. First, the Nigeria Labour Congress and other relevant organizations should intensify efforts to educate and advocate for the rights of casual workers, ensuring they are protected from exploitation. Second, banks should provide welfare packages and review wages upward to match the rising inflation, improving the standard of living for contract workers. Third, banks should consider converting contract staff to regular employees based on established probationary standards, thus offering them more job security and benefits. Addressing these recommendations could significantly enhance the conditions of casual workers, leading to a more stable and equitable working environment in Nigeria's banking sector.

8. Limitations of the study

This study investigated the effects of casualisation in the banking sector of Sokoto, Nigeria, focusing specifically on contract workers in this region. Given this narrow focus, broader generalizations from the study's findings may be challenging. The research employed a case study approach within a qualitative methodology framework, which involves an in-depth examination of specific events, settings, or groups. Case studies are designed to provide detailed insights about the particular group under study within its unique context and do not aim to establish universally applicable truths.

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