

## WELFARE SCHEME AND JOB INVOLVEMENT IN OIL AND GAS MULTINATIONAL COMPANIES IN NIGERIA

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### ABSTRACT

*This work examined the relationship between welfare scheme and work job involvement in oil and gas multinational companies in Nigeria. A survey of literatures and qualitative content analysis was done and the result of the analysis indicates that there was strong correlation between the welfare scheme and job involvement. The study adopted a cross sectional survey design. The population of the study was 11,132 permanent staff on companies' register and it used questionnaire to collect data from the 375 employees drawn as sample size using the Krejcie and Morgan sample size determination table of 1970. The Spearman's Rank Order and the partial correlation coefficient at a 0.05 level of significance was used as the benchmark for assessing the relationships between the variables. Welfare scheme was found to be pertinent and imperative to job involvement. This work recommend that oil and gas multinational companies should pay attention to the implementation of welfare scheme to attract the needed workforce that will give the desired best behaviour for organizational effectiveness and productivity. Consequently, upon these findings, the study recommend that pay scheme programs be firmly supported to be consistent, transparent, fair and equitable to match industry index and viability to extract the desired employees' best behaviour for effective performance and organizational productivity.*

**Keywords: Welfare Scheme, Job Involvement, Multinational Companies**

### INTRODUCTION

Welfare generally means the effort to make life worth living for workmen. Mwiti (2007) describes it as anything done for the comfort, improvement, intellectual or social wellbeing, of the employees over and above salaries and wages paid which is not a necessity of the industry. Hence, employee welfare include anything that is done for the comfort and improvement of employees which is provided over and above salaries and wages. Employee compensation helps in keeping the morale and motivation of the employees high so as to retain the employees for longer duration.

Mwiti (2007) points out that naturally, welfare services may not directly relate to an employee's job role but the presence or absence of the services is noticeable through employee performance, work attitude, high or low morale and labour turnover. Workers are usually and constantly in check and transferring their services to organizations with better compensation programs and working conditions. It is argued that, employee compensation or services can be used to secure the labour force by providing proper human conditions of work and living standard through minimizing the hazardous effect on the life of the workers and their family members (Manzini and Gwandure, 2011).

Employer's attitude is considered critical to the workers disposition towards work and overall performance; the lack of it has affected many organization's mission and goals attainment including the oil and gas multinational companies in Nigeria. Falaja (2009).

In time past, working and looking forward to retirement gratuities, pension pay and other benefits were the prime motivations for employees' satisfaction, commitment (attachment) and involvement to the various organizations; especially within the public workforce and by extension, the Nigeria oil and gas sector. All these expectations have been elusive. Most oil and gas multinational companies thereafter took advantage of the ugly development, not only to profiteer but also to enslave the workers in the saturated Nigeria labour market situation. This brought about several exploitative work arrangements such as contract staffing, casualization or outsourcing characterized by a loose or non-committal employer obligation to employees and staff of organizations.

This precarious situation have contributed to the increasing rate of conflict, union activities, agitations, loss of industrial peace and harmony and consequently malicious damages which have marred the operations and performance of most oil and gas multinational companies, especially within Rivers, Delta, Bayelsa states and the Niger Delta regions in general.

These identified problem has generally affected worker's motivation and resulted in loss of satisfaction, commitment and involvement in organization. It is the opinion of the researcher that employee compensation programs is the sure way to bring back employees' satisfaction, commitment and involvement to work in organization. Kuria (2012) supported that employee welfare programs help significantly in enhancing the self-confidence and intellectual capacity of employees to improve motivation making the employee to be challenged to take on more challenging tasks and responsibilities.

Munyoki (2010) also posited that welfare programs are essential to all employees. Job satisfaction is the reflection of a good treatment considered as an indicator of emotional well-being or psychological health (Spector, 2011). This study therefore investigates the correlation of welfare scheme and job involvement in oil and gas multinational companies in Nigeria and to proffer recommendations and suggest solutions.

### **Research Hypotheses**

**HO<sub>1</sub>:** There is no significant relationship between welfare scheme and job involvement in oil and gas multinational companies in Nigeria.

**HO<sub>2</sub>:** Organizational size does not significantly moderate the relationship between employee compensation and work attitude in oil and gas multinational companies in Nigeria.

### **Concept of Welfare Scheme**

Accidents commonly occur in organizational operations. The consensus among safety professionals is that upwards of ninety percent (90%) of all accidents occurring in the workplace may be attributed to behavioural factors. Increasing employee job satisfaction is as important as eliminating physical hazards in the workplace. Safety and healthcare principles are universal, but how much action is needed will depend on the size of the organization, the hazards presented by its activities, the physical characteristics of the organization, products or services, and the adequacy of its existing arrangements as

captured in its healthcare program. Many of the features of effective healthcare and safety management are analogous to the sound management practices advocated by proponents of quality management, environmental protection, and business excellence (Odunlade, 2012). Besides reducing costs, effective welfare scheme program promotes business efficiency. Thousands of work-related accidents, resulting in more than three days off work are reported to the medical; health and safety authority each year. Work-related diseases and ill health are more difficult to measure due to their long latency period but result in excess of one million days lost at work each year. These accidents and ill health cases are due to failures and deficiencies in the occupational health and safety management in organizations. Medical; healthcare and safety in the workplace involves the protection of people and developing a dependable safety culture in employers and employees (Amah *et al*, 2013).

Organizations that engage in medical, healthcare and safety programs successfully and invariably have a positive hygiene and safety culture and active medical, healthcare and safety consultation program in place can motivate its employees to higher performance. Successful organizations can establish and maintain a culture that supports healthcare and safety. Effective healthcare and safety programs and policies should set a clear direction for the organization to follow. They contribute to all aspects of business performance and productivity as part of a demonstrable commitment to continuous improvement (Odunlade, 2012).

Cost-effective approaches to preserving and developing human and physical resources and reduced financial losses and liabilities in a wider context, stakeholders' expectations, whether they are shareholders, employees or their representatives, customers or society needs, can be met only when workers have good health and safety. The organization should formulate plans and policies to fulfil its medical, healthcare and safety programs as set out in their Mission Statement. For effective implementation of medical, healthcare and safety programs, the organization should develop the capabilities and support mechanisms necessary to achieve its healthcare, safety standard and objective targets. All staff should be motivated and empowered to work safely and to protect their long-term health, not simply to avoid accidents but to take active part to reporting any risk in the production process and in the premises. In almost all the oil and gas multinational companies, workers are motivated by way of awards which may be in kind or cash. The arrangements should be underpinned, by effective staff involvement and participation through appropriate consultation, use of safety committees where it exists, and participatory representation systems by employees.

### **Concept of Job Involvement**

Job involvement is an essential or related feature of an organizational commitment, motivation and job satisfaction that influences employee's job performance. This shows the employee being involved in the motivational process which in turn impacts on individual job performance and discourages such negative attitudes as absenteeism, tardiness and also turnover. It involves employees and involved their full selves connected on to the job; thereby sharing their behavioural, cognitive and emotional efforts. Ho (2006) in his research, defined job involvement as the individual's belief towards his or her present job. He also said that job involvement acts as a catalyst to satisfy the individual present needs. Job involvement is a motivation to carry out work and it is highly compatible between

personal and organizational goals, which stimulate motivation among the employees to generate positive work outcomes. Job involvement is one's cognitive needs' fulfilment, which assists him or her to work harder and boost up his or her performance. Indeed, a higher degree of job involvement among members of organization is essential to enhance the organizational effectiveness.

Job involvement has been defined as the identification of the individual with the job and has a psychological self-investment of the individual in the work as a means of seeking some expression of the self at work. Job involvement also involves the internalization of values about goodness of work or the importance of work in the worth of the individual (Mullins, 2005). Ekmekçi (2011) noted from the organizational perspective, that job involvement has been considered the key to employee motivation and competitive advantage over co-workers and from an individual perspective, it is the key to personal growth, satisfaction and related to leadership consideration, participative decision making and effective communication.

Job involvement concept has been approached from two different perspectives. First approach view it as an individual difference variable and job involvement is believed to occur when the possession of certain needs, values or personal characteristics predispose individuals to become more or less involved in their jobs. The second perspective view job involvement as a response to specific work situation characteristic. In order words, certain types of jobs or characteristics of the work situation influence the degree to which an individual becomes involved in the job (Chungtai, 2008). For organizations, having and sustaining job involvement of employee is an important target since it has strong relationship with organizational effectiveness (Pfeffer, 1994).

### **Concept of Social Exchange Theory**

Social exchange process begins when an organizational actor or perpetrator, usually a supervisor, manager or co-worker, treat a target individual in a positive or negative fashion (Eisenberger, Lynch and Aselage, 2005; Rusbult, Farrell, Rogers, and Mainous, 1988; McLean Parks, 1997). For clarity, in this study perspectives, actions on the part of the organization are referred to as initiating actions. Positive initiating actions may include activities such as providing employee compensation or organizational support (Riggle, Edmondson and Hansen, 2009; Cropanzano and Rupp, 2008). Negative initiating actions might involve abusive supervision (Tepper, Carr, Breaux, Geider, Hu, and Hua, 2009); incivility (Anderson and Pearson, 1999; Pearson, Anderson, and Porath, 2005), or bullying (Lewis, 1999 and 2014; Ryaner and Keashly, 2005). In response to the initiating action, the target, often an employee; a subordinate or co-worker, may then choose to reciprocate to his treatment with good or bad attitude of his or her own (Eisenberger, Cotterelland and Marvel, 1987; Gergen, 1969; Gouldner, 1960). Collectively, these behaviours can be referred to as reciprocating responses. Social exchange theory predicts that, in reaction to positive initiating actions, targets will tend to reply in kind by engaging in more positive reciprocating responses or fewer negative reciprocating responses.

Speaking loosely, these responses can be broadly organized into two types – relational responses and behavioural responses. Notably, one type often causes the other. Speaking very generally, a series of successful reciprocal exchanges may transform an economic exchange relationship into a high-quality social exchange relationship. In this way, people may become affectively committed to the organization (Meyer, Stanley, Herscovitch and Topolnytsky, 2002), more trusting (Konovsky and Pugh, 1994). Presumably, a negative social exchange relationship would be less likely to develop, e.g., low commitment (Schyns

and Schilling, 2013). It is also possible that the resulting exchange could be economic, as individuals are less apt to find close and open-ended associations with those who hurt them. In either case, the quality of the relationship would be low, as mutually beneficial interchanges are less likely to be engendered when people are transacting in harm.

Exchange theorists have shown that individuals invest in relationships and expect to receive gains in return (Chadwich-Jones, 1976). Rather than merely investing monetary currency, however, investments may include time, energy, love, face-work, and countless other life currencies. Theorists who take this perspectives tend to assume that individuals are motivated by a desire to improve their own situations while also minimizing the amount of effort to do so (Dunbar, 2015). In comparing relationships to an exchange, scholars have hoped to understand what factors influence and why a relationship begins, how long it will last, and when it will end (Rusbult, Martz, and Agnew, 1998).

### **Research Design**

This study adopted the cross-sectional survey design. As a cross-sectional survey data that is suited for it was collected through questionnaire, time-specific using an administrative contacts in all the selected companies.

### **Population**

The population for this study was five (5) major oil and gas multinational companies in Nigeria. Questionnaire were sent to 375 employees of these companies for completion. Of the 375 questionnaire sent out, 316 were returned through the administrative contacts

Population of Major Oil and Gas Multinational Companies for the Study

COMPANY NAMES	POPULATION
Chevron	3,100
Mobil	1,900
NAOC	1,164
Shell Petroleum	4,500
Total E & P	468
<b>TOTAL</b>	<b>11,132</b>

Source: Company record and Official Company Register

### Population and sample distribution

OIL COMPANIES	POPULATION SIZE	SAMPLE SIZE
CHEVRON	3,100	104
MOBILE	1,900	64
NAOC	1,164	39
SHELL	4,500	152
TOTAL	468	16
<b>Total</b>	<b>11,132</b>	<b>375</b>

Source: Research data 2019

### Method of Data Analysis

The analysis of the data generated for this study utilized both descriptive statistics and inferential statistical techniques. These techniques are applied as follows:

**Descriptive statistical data analysis technique:** The descriptive statistical tools for this study comprise of the simple statistical tools such as the frequency distribution for assessing the demographic characteristics of the study, as well as the mean and standard deviation for assessing the distribution for the univariate analysis on the variables. This is based on the scaling formats for the variables at this level as descriptive statistical analysis is aimed at simply describing the features and evidence of the variables.

**Inferential data analysis:** The inferential tools for this study comprise of the Spearman's rank order correlation and the partial correlation coefficient. The Spearman is used in testing the bivariate hypothetical statements of the study, the partial correlation is used to determine the extent to which the organizational factors; organizational size and organizational technology significantly moderate the relationship between employee compensation and work attitude. The aim of the inferential analysis is to ascertain the nature of correlation between the variables, as well as the significance of the indirect relationship between the variables. Tests for hypotheses was carried out at a 95% confidence interval, indicating a 0.05 level of significance as the benchmark for assessing the significance of relationships between the variables.

The choice of the Spearman and partial correlation are based on the extent to which both tools are considered as adaptive and applicable on both linear and monotonic types of relationships between the variables. Furthermore, both tools are often preferred due to their non-parametric attributes and non-assumptions about the distribution of the data in terms of skewness, kurtosis and homogeneity of variance or normality.

**Results**

**HO<sub>1</sub>:** There is no significant relationship between welfare scheme and job satisfaction in oil and gas multinational companies in Nigeria.

			Welfare			Involve
Spearman's rho	Welfare	Correlation Coefficient	1.000	.595	.708**	.595**
		Sig. (2-tailed)	.	.000	.000	.000
		N	316	316	316	316
	Satis	Correlation Coefficient	.595**	1.000	.415**	.1000
		Sig. (2-tailed)	.000	.000	.000	.000
		N	316	316	316	316
	Commit	Correlation Coefficient	.584**	.390	.801**	.390**
		Sig. (2-tailed)	.000	.000	.000	.000
		N	316	316	316	316
	Involve	Correlation Coefficient	.708**	.415	1.000	.415**
		Sig. (2-tailed)	.000	.000	.000	.000
		N	316	316	316	316

Source: SPSS result, 2019

**Table : Descriptive statistics field data for Job Involvement**

	SD		D		U		A		SA		Total		
	Cou nt	Row N %	Cou nt	Row N %	Cou nt	Row N %	Cou nt	Row N %	Cou nt	Row N %	Cou nt	Mea n	Standar d Deviati on
Involve1	18	5.7%	18	5.7%	88	27.8%	96	30.4%	96	30.4%	316	3.74	1.12
Involve2	18	5.7%	106	33.5%	30	9.5%	102	32.3%	60	19.0%	316	3.25	1.26
Involve3	6	1.9%	58	18.4%	114	36.1%	96	30.4%	42	13.3%	316	3.35	.99
Involve4	12	3.8%	36	11.4%	100	31.6%	108	34.2%	60	19.0%	316	3.53	1.04
Involve5	10	3.2%	78	24.7%	72	22.8%	90	28.5%	66	20.9%	316	3.39	1.16

Source: Research data, 2019

**Table 2** is used to describe the measure of the criterion job involvement which is the third measure of the criterion variable; work attitude in this study. The variable examines respondents' willingness and openness towards contributing and actively partaking in the activities and affairs of the organization. As illustrated, all indicators carry a mean score of  $\bar{x} > 3.0$  which meets with the criterion for high level of affirmation of indicator. Therefore, results suggest a high response rate and agreement to respondents' level of involvement and willingness to be open towards engaging and partaking in the affairs of the organization.

**Multivariate Analysis**

**HO<sub>2</sub>:** Organizational size does not significantly moderate the relationship between employee compensation and work attitude in oil and gas multinational companies in Nigeria.

This section is concerned with the multivariate analysis and tests for the moderating effect of organizational factors; organizational size and organizational technology on the relationship between employee compensation and work attitude. The multivariate analysis is carried out using the partial correlation co-efficient at a 95% confidence interval with a 0.05 level of significance. The criterion for acceptance of moderation implying a rejection of the null hypothesis of no significant moderation will be based on the significance of the indirect effect co-efficient. The test of the moderating effect of organizational size and organizational technology will also be carried out using the partial correlation co-efficient. The first test assessed the moderating effect of organizational size and assessed the following hypothesis:

**Organizational Factors**

The contextual variable; organizational factors; is scaled and measured using its manifest variables which are all scaled on a 5-point Likert scale. As a result of the transformation of the variables from their manifest, categorical and discrete properties to a continuous variable which allows for interval scaling, mathematical computations such as the mean, standard deviation can now be applied in the descriptive analyses of the variable.

**Table 3: Descriptive statistics field data for Organizational Size**

	SD		D		U		A		SA		Total		
	Cou nt	Row N %	Cou nt	Row N %	Cou nt	Row N %	Cou nt	Row N %	Cou nt	Row N %	Cou nt	Mea n	Standa rd Deviati on
Size1	12	3.8 %	52	16.5 %	120	38.0 %	120	38.0 %	12	3.8 %	316	3.22	.90
Size2	12	3.8 %	66	20.9 %	46	14.6 %	108	34.2 %	84	26.6 %	316	3.59	1.19
Size3	0	0.0 %	48	15.2 %	88	27.8 %	156	49.4 %	24	7.6 %	316	3.49	.84

Source: Research data, 2019

**Table 3** is used to describe the measure of the criterion of organizational size which is the first measure of the moderating variable; organizational factor in the study. The variable examines respondent’s perceptions and experience of the size and spread of the organization in terms of departments, divisions, directorates, branches and site locations, units and population strength of workers. As illustrated, all indicators carry a mean score of  $x > 3.0$  which meets with the criterion for high level affirmation of indicator. Therefore, it is evident that there is a high response rate and agreement to respondents’ appreciation of the size of the organization

## CONCLUSIONS

Welfare scheme is a significant predictor of work attitude within the context of oil and gas multinational companies in Nigeria. Hence, the functions and activities of organization focused on ensuring that workers are medically healthy, safe, secured and well fitted to attend to their work role as a substantial antecedent of outcomes such as employee job satisfaction, job commitment and involvement, within the oil and gas multinational companies in Nigeria should be taken seriously.

Organizational Factors such as size and technology significantly moderate the relationship between employee compensation and work attitude within oil and gas multinational companies in Nigeria. This affirms the position that organizational factors such as size and technology play crucial roles in the actualization and practice of employee compensation as well as the extent to which it impacts on work attitude within the identified oil and gas multinational companies in Nigeria.

## RECOMMENDATIONS

- (i) Welfare scheme programs and facilities should be considered a priority of the organization and should be offered the necessary support through resource allocation and investments that drive the sustainability and functionality of the whole employee compensation scheme especially the medical where it is extended to immediate family members is seen as a big relief and a protection against ill-health, sickness, death. This compensation and benefit is quite rewarding to both the employees and the company in oil and gas multinational companies in Nigeria.
- (ii) Organizations should take cognizance of the organizational factors of size and technology such that they allows for enhanced delivery and control of the employee compensations in a way that they support and ensures its practices and more appreciable experiences from the employees within the oil and gas multinational companies in Nigeria.

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