



## Staff Emolument, Job Security and Employee Commitment: A Correlational Analysis of Multinational Oil Companies in South-South, Nigeria

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### ABSTRACT

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Multinational oil companies, whose goals are basically oil exploration, their success could be directly traced to the quality of staff, and the commitment of such staff are based on the working conditions that motivate them. One of such condition is employee emolument and job security. Thus, this paper investigated how emolument and job security correlate employee commitment in multinational oil companies in South-South, Nigeria. Two hypotheses were tested in the study. The study employed the ex-post facto descriptive survey design sampling the opinions of 482 participants within the jurisdiction of the study. The instrument used was the questionnaire titled Staff Emolument, Job Security and Employee Commitment Questionnaire (SEJSECQ). The data analysis employed the use of descriptive statistics with the statistical package of the social sciences version 23 (SPSS 23). The stated hypotheses were tested using the Pearson Product Moment Correlation (PPMC) of significance with the same software. It was found in the study that was a positive significant relationship between staff emolument, terms of employment (job security), and staff level of commitment in multinational oil companies in South-South, Nigeria. Based on the findings generated from the study, the researcher therefore concludes that the multinational oil companies in South-South, Nigeria has a great level of staff emolument and job security which has a direct link to their employee commitment. It was recommended among others that Multinational oil companies and other corporate organizations should ensure proper and adequate employee emolument implementation policy. This will adequately enhance staff level of commitment.

### KEYWORDS:

Staff Emolument, Job Security, general working environment, Employee commitment

### INTRODUCTION

Employee motivation as well as their satisfaction are part of the major contemporary issues that have gained tremendous attention within the ambit of studies in industrial relations. Two reasons account for this: First is the recognition of the critical role, played by the employees in industrial productivity. The second is the fact that employees' motivation is a key variable that is considered important in industrial productivity and efficiency in the service of the organizations (Sales, 2015). However, the commitment of a motivated employee can be affected by circumstances within his workplace. Such can be lack of opportunity and access to

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basic tools and skills required by the job (Ofoegbu, 2022). Among the most important variables affecting employee job satisfaction, is perception of their working conditions. The oil industry in South-South, Nigeria is dominated by multinationals corporations such as Seplat Nigeria Plc, Chevron, Pan Ocean Oil Corporation, Exxon-Mobil, Total, Agip, ELF and the Nigerian National Petroleum Corporation (NNPC). There are over 600 oil fields, 5,248 onshore and offshore oil wells, 10 export terminals, 275 flow stations, 4 major refineries (Warri, Kaduna, and 2 in Portharcourt) and a Liquefied Natural Gas Project. As at 2017, statistics produced in the Niger Delta showed a staggering National Revenue of 49.8 trillion naira (Iyanam, Ubi, and Ero, 2021). Thus, for multinational oil companies to rise to this level, human resource in these companies must have put one or two efforts. However, the question arise that: does these oil companies have staff who are satisfied with their emolument/renumeration?

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Remuneration is traditionally seen as the total income of an individual and may comprise a range of separate payments determined according to different rules. For example, the total remuneration of medical staff may comprise a capitation fee and a fee for services, or it may include a salary and shared financial risk (Buchan, Thompson & O'May, 2020). According to Ojeleye (2017), remuneration can also be referred to as monetary or financial benefits in the form of salaries, wages, bonuses, incentives, allowances and benefits that is accrued or given to an employee or group of employees by the employer (firm) as a result services rendered by the employee(s), commitment to the organization or reward for employment. Organizations need highly committed individuals in order to meet their goals, to deliver the products and services they specialized in, and finally to achieve competitive advantage. Apart from the above discussion on employee working conditions, terms of employment in terms of job security is another important variable in the study.

Job security is another working condition an organization uses to get a desirable commitment of their employees. According to Mosaybian and Jafari (2014) a secured job is an employee's requirement and wish whenever a job is secured. Hence, job insecurity makes one lack concentration which can affect worker's commitment in the organization. A situation where there is fear of being sacked at any time, is most likely to bring in low output in productivity among the employees. This development left fear in the minds of other staff, by doubting the authenticity of their job security. Employees are considered as the most valuable resource and asset to an organization. Qualified and motivated employees create and deliver value out of other organizational resources. According to Akpokiniovo (2022), dynamic and progressive organizations endeavour to attract and retain the right people for the right jobs at the right time through creating and sustaining their motivation in changing circumstances that makes them feel their job is secured, thus increasing employee commitment.

Employee commitment is also an important concept because it influences the output of organizations, and society as a whole. Organizations can benefit from commitment of employees using the intrinsic and extrinsic rewards relevant to the organization. Employee commitment is viewed as a tendency to 'engage in consistent lines of activity'. The activity involves three factors: a) a strong belief in and acceptance of the organization's goals and values, b) a willingness to exert considerable effort on behalf of the organization, c) a define desire to maintain organizational membership. According to Onukwu Alkahtani (2015), employee commitment has different classifications, which are affective, normative and continuance commitment. For multinational oil companies, whose goals are basically oil exploration, their success could be very directly traced to the quality of staff and the commitment of such staff based on the

working conditions that motivate them. All these factors are assumed, could attract and retain staff, and thereby, raise the profile of multi-national oil companies in terms of performance. In the light of this background, this study therefore seeks to investigate employee emolument/remuneration, job security as it relate to employee commitment in multinational oil companies in South-South, Nigeria.

### **Statement of the Problem**

Employees in multinational oil companies are expected to be at their best in terms of productivity. The process of employee trying to put in their best have led to a very thin layer between employees' personal life and work life, which sometime mares their job commitment level. many employees in the Nigerian multinational oil companies may be frustrated with their job roles and the work environment due to the prevailing socio-economic challenges in the Nigerian environment such as poor funding, poor working environment, inadequate resources and inadequate payment etc. Thus, when an employee have the feeling that his/her job is not secure and he/she can be retrench at any given time without any emolument, the employee may not be commitment. Another area that seems to affect employee commitment are the feelings of unconducive working atmosphere such as poor retirement plan, some scholars have noted that the fundamental human rights of employees which include the right to safety, healthy and fair conditions of working environment, have not been practically met in comparison to global standards. Despite the above concerns, the extent to which these problems try to influence employee commitment among multinational oil companies in the South-South, Nigeria is not yet clear. This is because, not much concerted research efforts have been geared towards this area of research interest within the context of multinational oil companies in the South-South, Nigeria.

### **Research Hypotheses**

The following null hypotheses guided the study and were tested at 0.05 level of significance

1. There is no significant relationship between employee emolument and staff level of commitment in some selected multinational oil companies in South-South, Nigeria.
2. There is no significant relationship between job security and staff level of commitment to some selected multinational oil companies in South-South, Nigeria.

## **LITERATURE REVIEW**

### **Exploring Emolument/Remuneration**

Employee emolument refers to all sorts of payments made by the employer to the employee in respect of that employment. It includes employee's liabilities borne by the employer such as salaries, wages, and overtime or leave pay, commission, fees, bonuses, and any other benefit, advantage or allowances and payments on taking up or leaving

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employment (Zambian Revenue Authority, 2016). Similarly, Ileka and Muogbo (2020) stated that employee emolument refers to what an individual receives at the end of the month plus any other compensation such as allowances, bonuses, benefits or pensions for holding a particular office or contract of employment. In addition to these definitions, Ojeleye (2017) opined that employee emolument is what employees receive in exchange for a job well done or service rendered. It is the money employees' receive for the work they do. It includes the basic salary and other allowances paid to employees. Therefore, employee emolument is the sum total of rights and privileges in monetary and non-monetary forms enjoyed by an employee in bringing out the best in him as he carries out his responsibilities.

Remuneration is an act of reward or payment reward; it is also a way of examining the mediating role of normative and affective commitment. According to Clerk (2022), remuneration is a reward given to an individual due to the level of performance and commitment to the organization. Performance of worker leads to reward, factor that serves as remunerate of worker in an organisation; bonus, wages and salary, leave allowance. The word "Employee Remuneration" to most people refers to money and usually money in addition to wages and salaries. Employee remuneration is a cost effective phenomenon; one area that brings about employee remuneration is motivation of the workers (Ijeh, 2013).

The factors identified to be responsible for employee remuneration are as follows:

- Job Enrichment
- Job Rotation
- Job Content
- Conducive Job Environment
- Equity Share in the organization
- Participation in all level of decision process
- Positive criticism
- Recognition for contribution made in the organisation.

### Overview of Job Security

Job security is defined as the assurance in an employee's job continuity due to the general economic circumstances in the country (Chukuigwe, 2018). It is concerned with the possibility or probability of an individual keeping his/her job. It deals with the chances of employees keeping their jobs in order not be unemployed. Job security is another working condition an organization uses to get a desirable job performance of their employees. According to Adeniji, Adelena, and Ogunsile (2022) a secured job is an employee's requirement and wish whenever a job is secured. Hence, job insecurity makes one lack concentration which can affect worker's performance in the organization. A situation where there is fear of being sacked at any time, its most likely to bring in low output in productivity among the

employees. That is why Shouvik, Mohammed and Zainab (2018) stated that occasional feelings of the employee over loss of job or loss of desirable job features such as lack of promotion opportunity, current working conditions as well as long time career opportunity can be attributed to lack of job security.

### Concept of Employee's Commitment

According to Alkahtani (2015), the basic meaning of commitment does not exist because various researchers give various definitions. However, commitment was further characterized as the general quality of a person's relationship with an association and their participation within the association Alkahtani (2015). Similarly, Andrew (2017) discussed that committed employees build up a bond with an organization and that makes up better administrative performance. He further noted that past researchers have analyzed various components that can influence job performance and a vital component is the commitment of employees to their jobs. Alkahtani (2015) concluded that employees with high hierarchical commitment sentiments influence firm performance in positive manners since they reduce the recurrence of performing negative conduct and improve service quality. According to Akpokiniovo (2018), employees are therefore believed to experience this commitment in three bases, or mind-sets that play a role in shaping behavior: affective, normative, and continuance, In simple terms, these three dimensions of job commitment implies emotional ties (affective) perceived sunk costs in relation to a target (continuance) and perceived obligation (normative). With affective commitment, employees are committed to the job because they "want to". With continuance commitment employees are committed to the job because they "have to". With normative commitment, they are committed because they "ought to"

### METHODOLOGY

This study adopted the ex-post facto survey design. This design is suitable for this study since it investigated events that had occurred relative to the present, and all the independent variables (employee emolument and job security) to be examined had already occurred and were not manipulated. The population of this study is made up of managers and supervisors in the major multinational oil companies operating in South-South, Nigeria. According to the human resource departments of the each multinational oil companies, the population of managers in Seplat is 18 and supervisors are 122, Pan Ocean Oil corporation have 67 supervisors and 3 managers, ExxonMobil have 51 supervisors and 12 managers, Chevron/Texaco have 77 supervisors and 14 managers, Agip have 31 supervisors and 12 managers and TotalFinaElf have 62 supervisors and 13 managers, making a total population of four hundred and eighty two (482). A total number of four hundred and eighty

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(482) was used in the study. This was done through total sampling techniques Total population sampling is a type of purposive sampling technique where you choose to examine the entire population.

The instrument used for data collection was questionnaire titled Staff Emolument, Job Security and Employee Commitment Questionnaire (SEJSECQ). The instrument with a reliability index of 0.74 was adapted from the work of Nwokeocha (2015) and modified for the study. The unit of analysis in this study focused on the managers and the supervisors of the multinational oil companies. Thus, the researcher employed the services of six research assistants (one each for the companies) who helped in contacting the various participants of the study. The Pearson Product Moment Correlation of the Statistical Package for Social Sciences (SPSS) Version 23 was used as inferential statistics to test the hypotheses respectively.

### RESULT/FINDINGS

**Hypothesis One:** There is no significant relationship between employee emolument and staff level of commitment to multinational oil companies in South-South, Nigeria.

**Table 1: Relationship between employee emolument and staff level of commitment**

	<i>N</i>	<i>M</i>	<i>Sd</i>	<i>Df</i>	<i>R</i>	<i>r</i> <sup>2</sup>	<i>P</i>
Employee Emolument	48	3.9	.70				
Staff level of commitment	2	1		48	.48	.23	.00
				0			1
Employee Commitment	48	2.8	1.0				
Staff level of commitment	2	3	1				

The table above showed that the point estimate indicated significant result, so was the confidence interval estimate. The difference between employee emolument ( $M = 3.91, SD = .70$ ) and staff level of commitment ( $M = 2.83, SD = 1.01$ ) is 1.08. The 95% confidence interval for this difference is 0.52 to 0.43. Since this interval did not include 0.00 (zero), the difference is statistically significant at .05 level (two-tailed). Pearson correlation coefficient (Table 1) indicates significant relationship between employee emolument and staff level of commitment,  $r(482) = .48, p > .001$ . This implies that as employee emolument increases, staff level of commitment increases. Therefore, hypothesis 1 which states no significant relationship between employee emolument and staff level of commitment was rejected. The  $r^2$  statistic indicates that employee emolument explained 23 percent variance in staff level of commitment. The effect size statistics, that is also the  $r^2$  was 0.23, indicates medium effect size, and it implies that employee emolument have positive impact on staff level of commitment.

**Hypothesis Two:** There is no significant relationship between job security and staff level of commitment to multinational oil companies in South-South, Nigeria.

**Table 2: Relationship between Job security and staff level of commitment**

	<i>N</i>	<i>M</i>	<i>Sd</i>	<i>Df</i>	<i>R</i>	<i>r</i> <sup>2</sup>	<i>P</i>
Job Security	482	3.92	.80				
Staff level of commitment				480	.47	.22	.001
Employee Commitment	482	2.91	.99				

The table above showed that the point estimate indicated significant result, so did the confidence interval estimate. The difference between job security ( $M = 3.92, SD = .80$ ) and staff level of commitment is ( $M = 2.91, SD = .99$ ). The 95% confidence interval for this difference is 0.51 to 0.42. Since this interval did not include 0.00 (zero), the difference is statistically significant at .05 level (two-tailed). Pearson correlation coefficient (Table 2) indicates significant relationship between job security and staff level of commitment,  $r(482) = .47, p > .001$ . This implies that as there is more assurance of job security, staff level of commitment increases. Therefore, hypothesis 2 which state that there is no significant relationship between job security and staff level of commitment was rejected. The  $r^2$  statistic indicates that job security explained 22 percent variance in staff level of commitment. The effect size statistics, in order word called the  $r^2$  was 0.22, indicate medium effect size, and it implies that job security have positive impact on staff level of commitment.

### DISCUSSION

#### Relationship between Staff Working Condition (Employee emolument) and staff level of commitment to multinational oil companies in South-South, Nigeria.

The findings in hypothesis one clearly showed that there was a significant positive relationship between employee emolument and staff level of commitment to multinational oil companies in South-South, Nigeria. This relationship was due to the fact that employee are working with the mind of having a good take home pay at the end of their service. Thus, basic pay communicates commitment to employees, and is used as the baseline for assessing other pay systems such as skill and competency pay. This finding is in agreement with the evidence of Ileka and Muogbo (2020) who investigated wages and salary administration and employee performance in selected government ministries in Anambra State. The study found that wages and salaries have significant positive effect on employee performance; cash bonus has significant positive effect on employee performance; minimum wage has significant negative effect on employee performance; fringe benefits have significant positive effect on employee performance; and monetization of fringe benefits has

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significant positive effect on employee performance in selected government ministries in Anambra state. The study concluded that effective wages and salary administration have significant positive effective on employee performance.

Furthermore, the findings of this study also corroborates the work of Ojeleye (2017) who conducted a study to explore the impact of remuneration on employees' performance. Eighty three employees of Abdul Gusau polytechnic and state college of education both in Zamfara state were handed structured questionnaire to solicit data on remuneration and performance. The finding suggested that there is a strong and positive relationship between remuneration and employees' performance and that salary/wage and bonus/incentives also serve as a form of motivation to the employees.

### Relationship between Staff Working Condition (Job Security) and staff level of commitment to multinational oil companies in South-South, Nigeria.

The findings of this study also showed that there was a significant positive relationship between job security and staff level of commitment in multinational oil companies. The finding showed that as there is more assurance of job security, staff level of commitment increases. This findings are in agreement with the study of Adeniji, Adelena, and Ogunsile (2022) who carried out a study on work conditions and staff job commitment: An empirical survey of government-owned universities in Ogun State, Nigeira. This study investigated if staff work conditions in terms of job security as correlate with job commitment in Ogun-Owned Universities, Nigeria. The findings imply that job commitment among a university staff is a function of adequate work conditions and a conducive work environment. The finding of this study also concurred to the study of Shouvik, Mohammed and Zainab (2018) who conducted a study to investigate loss of job security and its impact on employee performance. The study concluded that there is a significant effect of job security on employee performance and satisfaction. Furthermore, the findings from this study stand on same page with the work of Shaheen, Sami, Fais, Abdul, Joseph and Gamal (2017) who investigated employee job security and performance relationship in developing economy through employee engagement: critical analysis with PLS-SEM. The study point out that employee job security has influence on the employee performance and employee engagement; and employee engagement mediates the relationship between employee job security and employee performance.

### CONCLUSION

Based on the findings generated from the study, the researcher therefore concludes that the multinational oil companies in South-South, Nigeria has a great level of staff emolument and job security which has a direct link to their

employee commitment. The staff emolument and job security have positively affected employee commitment which are some of the basis for organizational growth.

### RECOMMENDATIONS

Based on the conclusions drawn above, the following recommendations are put forward. Multinational oil companies and other corporate organizations should ensure proper and adequate employee emolument implementation policy. This will adequately enhance staff level of commitment, as the adage goes that 'to whom much given, much is expected'. Job security should be taken cognizance of by multinational oil companies and other organizations, mostly in terms of contract signing and maintaining status quo of job security, when employee are already aware that their job is secured, they will put in their best and increase their level of commitment.

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