

Influence of Employee Empowerment on Employee Commitment in Oil Producing Firms in Rivers State

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Abstract: *This study was conducted to examine the influence of employee empowerment on employee commitment in Oil Producing firms in Rivers State. The study was based on a survey research design and made use of questionnaire in obtaining data from office resident employees serving in five Oil Producing firms in Rivers State of Nigeria. The population of study was 20,116 while its sample size determined through Taro Yamane sample size determination formular was 1793. The analysis of data was done with descriptive and inferential statistics. The former used percentage method while the latter used simple regression. The test of hypotheses in the study indicated that employee empowerment had a positive and significant influence on employee commitment in Oil Producing firms in Rivers State. The generalized model summary showed an R^2 of 0.445. The model also showed a goodness of fit at 95 percent (p -value <0.05). With this result, it was concluded that employee empowerment can reliably predict employee commitment in Oil Producing firms particularly those of Rivers State of Nigeria. It was recommended that Oil Producing firms in Rivers State should empower its employees for them to have some level of control over their work, deploy delegation of responsibility and also encourage employees to participate in decision making in order to influence employee commitment*

Keywords: employee empowerment, employee commitment, oil producing firms, Rivers state, Nigeria

INTRODUCTION

Employee empowerment has evolved as an important construct necessary for consideration in the management of organizations. Therefore, it is critical in the all-organizational settings. Every organization relies heavily on its employees to deliver high-quality services and create

a positive experience for customers and stakeholders. Even though it is postulated that employee empowerment is a driver of positive work behaviour and organizational outcomes, there is still a research gap given that not much has been done to broaden known in the area in recent times. In addition, there are inconsistencies in the existing literature on the direct tie between employee empowerment and some organizational constructs, especially employee commitment (Kim et al., 2012). Taking the case reported by Kim et al. (2012), empowerment can lead to low organizational commitment. The researchers revealed that over-empowered employees tend to have lower levels of commitment as they may feel overwhelmed and unable to cope with the increased responsibility.

Hsieh and Chao (2004) explained that employee empowerment is best described as an involvement initiative that encourages decision making at the bottom by enabling employees to have a level of freedom in decision-making and autonomy with respect to their responsibilities. Thus, it means empowering the state of mind of employees to be in control of the task to be accomplished, aware of the circumstances within which the work is to be done, and have a sense of accountability for their performance and equity with regards to collective or individual performance and rewards. Again, Humborstad and Perry (2011) assert that empowerment is a social construct that is relatively nested in how individuals integrate their perception of personal control. According to Sahoo and Das (2011), employee empowerment is a form of motivation, which is intrinsically generated and involves positive valued experiences which an employee derives directly from a job. Specifically, employees who feel empowered are more likely to feel committed to their organization because they have greater control over their work and are more likely to feel that their work is meaningful and impactful (Kim et al., 2012).

Employee commitment serves to show a vital component used in assessing the behaviour of organizational members and is viewed as a necessary and essential element in measuring employee behaviour in organisations, which itself depends work conditions (Gospel and Palmer, 2014). Getting staff to be committed is a challenge being faced by executives in managing firms (Chew and Chan, 2018). It is employee commitment that depicts the cordiality of employer-employee relationship (Stites and Michael, 2011). It is considered as extent to which the employee is attached to the organisation (Stites and Michael, 2011). Herscovitch (2012) identifies three aspects of commitment, affective, continuance and normative. The first, affective commitment focuses on an emotional attachment of an employee to an organisation. The second, continuance commitment explains that the employee stays with an organisation because the employee senses negativity in leaving the organization. The third, normative commitment is concerned with employee's moral obligation to stay with an organisation. Burns (2012) opines that staff with the inspiration to get committed based on their relationship with employers are given to recording improved results to producing better results. This suggests that a good employer-employee relationship influences improvement in employee commitment.

Oil Producing firms require highly committed employees with quality job attitudes to support the production and delivery of goods and services while ultimately achieving their goal of

profit maximisation. Having a committed and effective workforce in the Oil and Gas sector requires a conscious and deliberate attempt by management to implement well designed employee relations strategies. Due to the competitive nature of businesses in this sector, management of organisations are left with no other choice than creating and maintaining harmonious relationship with their employees. In the absence of this, employees tend to exhibit negative work attitudes such as; irregularity to work, poor service delivery, absenteeism and others. This study is unique as it rests within the context of exploring the extent to which oil producing firms in Nigeria have a culture and strategy of motivating its workforce towards commitment through the lens of employee empowerment and organizational commitment. It is expected that some useful insights would be gained through the research.

Statement of the Problem

Employee empowerment has been misconstrued by some managers in the workplace as empowerment to reduce their authority. This in many cases results in frosty relationships and negative work attitudes including disloyalty, lack of ownership spirit and poor service delivery This is in contrast to the popular view in human resource management that employee empowerment improves the commitment of employees (Zaraket et al., 2018). Scholars have observed that there is a dearth of empirical evidence to lend support to the nexus between employee empowerment and commitment (AlKahtani et al., 2021). In Nigeria, while the oil producing firms are said to be making some improvement in employee relations in the dimensions of conflict resolution, compensation and employee voice, the aspect of employee empowerment and its influence on employee commitment is hardly emphasized and researched, causing limited knowledge in the research area. The present study is conducted to address this research gap in order to broaden knowledge in the research area.

Research Objective

To assess the influence of employee empowerment on employee commitment in Oil Producing Firms in Rivers State;

Research Hypothesis

H₀: There is no significant positive influence of employee empowerment on employee commitment in Oil Producing Firms in Rivers State.

LITERATURE REVIEW AND THEORETICAL FOUNDATION

In organizational settings, employee empowerment deals with issues such as delegating authority to employees to carry out certain tasks or responsibilities; it also deals with giving the opportunities to staff members to partake in managerial decision making, share of organizational resources, also share information, giving opportunities to employees to have control over work processes as need arises (Pfeffer, Hatano, and Santalainen, 2015). Two core aspects of empowerment can be differentiated. These are psychological dimension and structural dimension. In the Psychological dimension of empowerment, the concern is that of

intrinsic motivation. This dimension is said to create discretion and self-efficiency (Pfeffer, Hatano, and Santalainen, 2015). Brymer (2011) views psychological empowerment as involving decentralization of organizational decision-making. It makes allowance for managers to grant powers and autonomy to the employees either directly or through their teams.

Structural dimension on the other hand is concerned managerial actions on policies, structures as well as resources (Kanter, 2013). Continued by the author, empowerment refers to a state in the organization which exerts influence on employee's work related behavior. It also deals with structures and resources needed by employees in effective discharge of their duties (Kanter, 2013).

In their investigation, Samat, Ramayah and Saad (2016) who studied employee empowerment and quality of service as well as market orientation were able to establish that empowerment significantly influenced organizational practices bothering on total quality management (TQM). These researchers posit that given that there is concentration of powers at top management level, flexibility and prompt attention to issues would be inhibited at lower levels of management. It has also been opined that empowerment is the topmost dimension of employee relations that has a significant influence on corporate performance (Boon, Arumugam, Safa, and Bakar, 2017).

Employee empowerment possesses the capacity to play an important part in enhancing and realizing quality service in firms (Zhang, Tsui, Song, Li and Jia, 2018). Empowerment facilitates knowledge in employees; it boosts commitment as well as inner motivation (Kondalkar, 2009). It is through empowerment that non-managerial staff of organizations can take decisions without consulting their bosses. It is also through empowerment that autonomous decisions can be made without seeking advice from bosses and this depends on the extent of empowerment (Kondalkar, 2009)

The Social Exchange Theory (SET) is the brain child of Blaus (1964). In the view of this theory, individuals voluntarily behave in certain ways. They also do certain things as they have an expectation of equal positive behaviour from other individuals. The idea of social exchange rest on having a belief that some other persons would return one's behaviour whether positive or negative.

Furthermore, the position of SET is that human relationships are in place on account of what individuals think they stand to benefit from such relationships and the fact that they would naturally make comparisons before making a choice. From the perspective of SET, when employees feel empowered by their organization and receive the necessary support to undertake their work, they feel obliged to reciprocate these kind gestures by remaining committed and loyal to their organization. However, if such support is not forthcoming and employees feel less empowered by their organization, then their commitment levels will be greatly and negatively affected. As used in this research, SET is intended to espouse the relationship that exists between employee empowerment and employee commitment in oil

producing firms in Rivers State. Studies instrumented in the research area suggest a link between employee empowerment and employee commitment. For instance, Humborstad and Perry (2011), Kim et al. (2012), Rawat (2011) and Zaraket et al. (2018) in their separate studies found empowerment inspires dedication and commitment. Again, Movahedi and Azarpira (2016) in their study found that a significant relationship existed between employee empowerment and employee commitment.

METHODOLOGY

The survey research design was adopted and used in this research. The population of this study was made up of 20,116 the office resident employees from five Oil Producing firms in Rivers State of Nigeria, namely, Shell Petroleum Dev. Company of Nig. Ltd, Chevron Oil Nigeria Plc, Eroton Exploration and Oil Producing Company, Belema Oil Producing Ltd and Newcross Exploration and Production Ltd. The study's sample size determined through Taro Yamane sample size determination formula was 1793. This number was administered with copies of the questionnaire. The research instrument specifically focused on employee empowerment and employee commitment. Instrument validation was done with experts in the field of Business Management. Furthermore, the Cronbach Alpha reliability test was carried out on research variables. The mean result of the reliability first test was 0.745 while result of the second test was 0.760. The result implied that the instrument was reliable. The instrument as designed reflected 5 – point Likert scale. It was scored as follows; strongly Agree (SA = 5); Agreed (A = 4); Disagree (DA = 3); Strongly Disagree (SD = 2) and undecided (UN = 1). Descriptive analysis was used in data presentation while regression analysis was used in testing hypothesis.

Model Specification

In order to investigate the relationship between independent variable, employee empowerment and dependent variable, employee's commitment, the following model was developed:

$$EPC = \beta_0 + \beta_1 EPE + \varepsilon$$

Where; EPC, is the dependent variable (Employee Commitment); EPE- Employee Empowerment; β_0 is the intercept ; β_1 - the Beta coefficient; ε = error term.

Table 1: Respondents' Details

Variables	Categories	Frequency	Percentage%
Gender	Male	722	64.00%
	Female	406	36.00%
Age Range	Below 21	74	6.56
	21-34	238	21.10
	35-44	403	35.73
	45- 54	309	27.39
	55 and above	104	9.22
Education	SCE/WAEC	96	8.51
	OND	226	20.04
	BSc/HND	693	61.43
	Postgraduate	113	10.02
Work Experience	Less than 1 Year	73	6.47
	1-4 Years	228	20.21
	5- 9 Years	427	37.86
	10 -14 Year	253	22.43
	15 Years and above	147	13.03

Source: Field Survey, (2024)

Table 1 presents respondents' details in the study. In the table, the sex distribution shows that out of the 1128 respondents, 722 of them was male representing 64.00% while 406 respondents were female representing 36.00%. Also In the table, 74 respondents fall in the range of under 21 representing 6.56%; 238 of them fall between 21-34 years representing 21.10%; 403 respondents fall between the age of 35 – 44 years representing 35.73%; Furthermore, 309 respondents were between 45-54 years representing 27.39% while 104 of the respondents were between the age of 55 and above representing 9.22%. Furthermore, in the table, 96 respondents possessed secondary certificate representing 8.51%; 226 respondents had OND representing 20.04%; 693 respondents have HND/BSC representing 61.43% and 113 respondents had masters and above representing 10.02%.

Again, the table showed the number of respondents that had years of experience less than 1 year as 73 representing 6.47%; Also, 228 of the respondents falls between 1-4 years of experience representing 20.21%, while 427 of them fall between 5-9 years of experience

representing 37.86 %; furthermore, 253 respondents fall between 10-14 years of experience representing 22.43% while 147 of the respondents representing 13.03% had 15 years and above experience

Table: 2: Percentage Analysis of Employee Empowerment and the Commitment of Employees of Oil Producing Firms in Rivers State

Statements on Employee Empowerment	SA	A	D	SD	UN
My organisation considers information sharing as very important the hence shares relevant information to assist employees in their assigned jobs	192 (17.02%)	454 (40.25%)	188 (16.67%)	250 (22.16%)	44 (3.90%)
Needed working tools are provided for staff use in my organisation	166 (14.72%)	312 (27.66%)	379 (33.60%)	222 (19.68%)	49 (4.44%)
The encouragement of employees by way of empowerment stimulates commitment	223 (19.77%)	482 (42.73%)	237 (21.01%)	118 (10.46%)	68 (6.03%)
I would prefer some other organisation that is more committed to empowering its employees to be more committed to my job	333 (29.52%)	511 (45.30%)	153 (13.56%)	102 (9.04%)	29 (2.57%)
Total	229	440	239	173	47

Source: Field Survey (2024)

Table 2 shows the responses on the influence of employee empowerment on commitment of employees of Oil Producing firms in Rivers State. In the table, 192(17.02%) respondents strongly agreed that their organisation considers information sharing as very important hence shares relevant information to assist employees in their assigned jobs; 454(40.25%) agreed; 188(16.67%) disagreed; 250(22.16%) strongly disagreed while 44 (3.90%) were undecided. Also in the table, 166(14.72%) respondents strongly agreed that needed working tools are provided for staff use in their organisations; 312(27.66%) agreed; 379(33.60%) disagreed; 222(19.68%) strongly disagreed while 49(4.44%) were undecided. Furthermore, 223(19.77%) respondents strongly agreed that the encouragement of employees by way of empowerment stimulates commitment; 482(42.73%) agreed; 237(21.01%) disagreed; 118(10.46%) strongly disagreed while 68(6.03%) were undecided. Also in the table, 333(29.52%) respondents strongly agreed that they would prefer some other organisation that is more committed to empowering its employees to be more committed to my job; 511(45.30%) agreed; 153(13.56%) disagreed; 102(9.04%) strongly disagreed while 29(2.57%) were undecided. The table shows that majority of respondents (59.31%) were of the view that employee empowerment impacted commitment of employees.

Test of Hypotheses

H₀: There is no significant positive influence of employee empowerment on employee commitment in Oil Producing firms in Rivers State.

H₁: There is significant positive influence of employee empowerment on employee commitment in Oil Producing firms in Rivers State

Table 3: Regression Analysis Result on influence of Employee Empowerment on Employee Commitment in Oil Producing firms in Rivers State

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.703 ^a	.494	.445	5.30477		
Goodness of Fit ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	137.194	1	2541.323	18.613	.000 ^b
	Residual	191.002	1226	102.651		
	Total	328.196	1227			
Coefficients^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
01	(Constant)	1.933	.164		2.822	.002
	Employee Empowerment	.433	.192	.397	2.255	.000

a. Predictors: (Constant), Employee Empowerment

b. Dependent Variable: Commitment

Table 3 shows the result of regression analysis on the influence of employee empowerment on the commitment of employees of Oil Producing firms in Rivers State. The generalized model summary showed an R^2 of 0.445 which implies that 44.5% of the changes in employee empowerment influence 44.5% of employee commitment among employees of Oil Producing firms in Rivers State. The model also showed a goodness of fit at 95 percent (p-value <0.05). The influence of employee empowerment on the commitment indicated a statistically significant positive influence at 95% (also p-value <0.05). Following this result, the null hypothesis already stated that there is no significant relationship between employee empowerment and commitment of employees of Oil Producing firms in Rivers State is hereby rejected. This implies that There is a significant positive influence of employee empowerment on the commitment of employees of Oil Producing firms in Rivers State.

DISCUSSION OF FINDINGS

This study was conducted to examine the influence of employee empowerment on employee commitment in Oil Producing firms in Rivers State. In line with this objective, it was hypothesized that there is no significant positive influence of employee empowerment on employee commitment in Oil Producing firms in Rivers State. Results of the test of hypothesis however indicated that there is a significant positive influence of employee empowerment on employee commitment in Oil Producing firms in Rivers State. The result is in line with an earlier study by Nsien, Effiom² and Umoh (2020) who found a positive and significant relationship between conflict resolution and employee commitment. Similarly, a link between employee empowerment and employee commitment was established by Humborstad and Perry (2011), Kim et al. (2012), Rawat (2011) and Zaraket et al. (2018) in their separate studies. Again, Movahedi and Azarpira (2016) in their study found that a significant relationship existed between employee empowerment and employee commitment. These findings are indications that employee empowerment was a key organizational construct that influence employee commitment.

CONCLUSION AND RECOMMENDATION

The main objective of this study was to investigate the influence of employee empowerment on employee commitment in Oil Producing firms in Rivers It was hypothesized that there is no significant positive influence of employee empowerment on employee commitment in Oil Producing firms in Rivers State. Findings of the study showed that there is a significant positive influence of employee empowerment on employee commitment in Oil Producing firms in Rivers State. With this result, it was concluded that employee empowerment can reliably predict employee commitment in Oil Producing firms particularly those of Rivers State of Nigeria. It is recommended that Oil Producing firms in Rivers State should empower its employees for them to have some level of control over their work, deploy delegation of responsibility and also encourage employees to participate in decision making in order to influence employee commitment. The study contributes in the area of addressing employee behaviour issues and ultimately inducing employee commitment. However, to improve on the generalization of its findings, it is suggested that in future, the study's scope should be expanded beyond Rivers State of Nigeria.

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