

Indirect Voice and Worker Well-Being in Multinational Oil Exploration and Producing Companies in Nigeria

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ABSTRACT

The aim of this research was to explore how indirect communication impacts the well-being of employees in multinational oil companies operating in Nigeria. This study employed a cross-sectional survey approach, collecting primary data via a structured questionnaire. It focused on a population of 10,714 workers from six such companies. With a sample size of 386 determined using Taro Yamane's formula, reliability was ensured by Cronbach's Alpha coefficient, with all items scoring above 0.70. Hypotheses were evaluated using Spearman's Rank Order Correlation Coefficient, utilizing Statistical Package for Social Sciences version 23.0, at a 95% confidence level and a significance level of 0.05. The results revealed significant connections between indirect communication and various aspects of employee well-being. The study recommends that multinational oil company management in Nigeria should foster indirect communication by creating environments supportive of collective bargaining, joint consultative committees, and works councils, aimed at improving the psychological, social, and physical well-being of workers.

KEYWORDS: *Indirect Voice, Worker Well-Being, Collective Bargaining, Psychological Well-Being, Physical Well-Being, Social Well-Being*

INTRODUCTION

The foundation of any prosperous firm today primarily hinges on two factors, among others. These are employee voice, which can be expressed either individually or collectively, and worker well-being. Globally, firms are currently implementing a range of strategies to effectively incorporate these. This assertion is supported by the existing body of literature, which highlights the pivotal role of the worker. The workers are often regarded as one of the most crucial and strategic assets of any firm, as they are the primary drivers of the organization (Sonja, 2015; Lal, 2015; Sundaray, 2011; Du Plessis, 2009). In a similar vein, Zaharie and Osoian (2013) argue that the well-being of employees plays a crucial role in driving organizational effectiveness. This viewpoint aligns with Armstrong's (2017) assertion that the well-being of workers should be of utmost importance, and it is the responsibility of the organization to ensure its provision. By so doing, organizations can enhance employee commitment and establish themselves as a desirable workplace.

According to Streeck (2005), it is argued that well-being indicators should not be limited to monetary values alone, but should encompass other forms that are crucial for achieving optimal performance, efficiency, and fostering a flourishing work environment.

The concept of employee voice is situated within the framework of an employment relationship and pertains to the systems that facilitate the involvement of employees in the decision-making processes within their respective enterprises (Boxall and Purcell, 2003). The mechanisms for employee voice exhibits variation across organizations (Dundon et al., 2004; Holland, Pyman, Cooper and Teicher, 2011; Spencer, 1986). These mechanisms encompass a wide range of communication methods, including indirect channels such as trade union representation, direct channels between management and employees, and procedures for resolving grievances (Wilkinson, Dundon, Marchington and Ackers, 2004; Dundon, Wilkinson, Marchington and Ackers, 2004).

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The concept of indirect voice, also referred to as representative participation (Ogbu, 2017), has garnered considerable empirical interest in the 21st century. According to Rollinson and Dundon (2007), the process entails the involvement of an intermediary, who might be either a trade union member or an employee representative. Research has demonstrated the correlation between indirect voice and its various impact on organizations, including work satisfaction (Dwomoh, 2001; Bennet, 2007; Hames, 2012; Aziri, 2012), staff retention (Spencer, 1986), and organizational success (Dwomoh, 2001).

According to Dundon and Rollinson (2010), although individual employees may have limited power or influence, the collective action of workers in the form of trade unions might possibly enhance their power and thereby bolster their position in the workplace. Therefore, the utilization of indirect voice has been perceived as a means to enhance the overall welfare of workers, motivate employees, and achieve positive organizational results. Despite the well-documented advantages of employing indirect voice to promote worker well-being outcomes in various Nigerian organizations, there has been limited focus on the

indirect voice mechanism within Multinational Oil Exploration and Producing Companies in Nigeria. These mechanisms have facilitated a more equitable distribution of the wealth generated by workers. On the other hand, they are perceived as a danger to companies and stakeholders (Holmlund and Lundborg, 1999) due to what is believed to be their self-centered nature, which prioritizes short-term benefits over the long-term success of firms (Pettinger, 1999). This study therefore aims to empirically examine the effect of indirect voice on worker well-being of multinational oil exploration and producing companies in Nigeria. Specifically, the objectives were to examine the association between:

1. Indirect voice and worker psychological well-being in the multinational oil exploration and producing companies in Nigeria.
2. Indirect voice and worker physical well-being in the multinational oil exploration and producing companies in Nigeria.
3. Indirect voice and worker social well-being in the multinational oil exploration and producing companies in Nigeria.

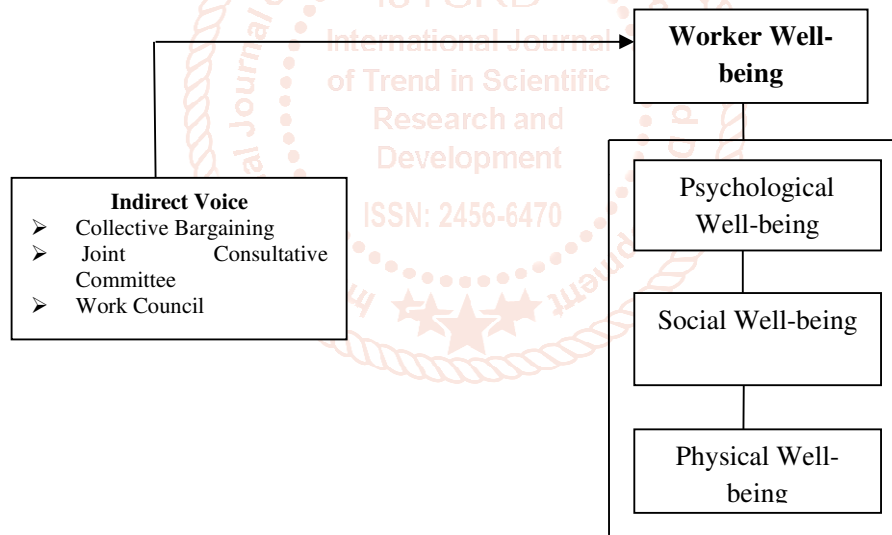


Fig.1 Conceptual framework for the relationship between indirect voice and worker well-being
Source: Researchers (2024)

LITERATURE REVIEW

Theoretical Foundation

Organizational Justice Theory

This theory posits that employee satisfaction is contingent upon their complete involvement in the decision-making process of the firm. This pertains to the perceived equity of procedures, results, and engagements within the decision-making procedures of an organization involving staff and management (Nowakowski and Conlon, 2005; Saunders, Thornhill and Lewis, 2002; Korsgaard, Schweiger, and Sapienza, 1995; Tyler, 1987; Greenberg, 1990). The theory is derived from the realms of legal and organizational decision-making theories and comprises three distinct forms of justice (Rawls, 1999). Firstly, it is important to consider the satisfaction derived from the conclusion of a decision, as it serves as an indicator of the equitable distribution of justice among the parties involved in the dispute. The second aspect is the level of satisfaction with the decision-making process, which pertains to the perception of fairness by the parties involved (Masterson, Lewis, Goldman, & Taylor, 2000;

Deutsch, 1985). The third aspect is interactional justice, which emphasizes that the process should not only be perceived as fair, but also as being treated with respect and dignity (Tyler, 1991; Bies & Moag, 1986).

Indirect Voice

According to Lavelle, Gunnigle, and McDonnell (2010), the concept of indirect voice refers to the manner in which workers express their perspectives and contributions through the utilization of collective employee representation mechanisms, such as labor unions. The primary objective of indirect voice is to facilitate the equitable distribution of power in support of employees by means of diverse committees and unions that are engaged by organizational leadership during the decision-making process pertaining to employee matters. In their study, Marchington, Wilkinson, Ackers, and Dundon (2001) identified a minimum of five indicators that serve as indirect voice mechanisms. These indicators include collective bargaining, joint consultation, work councils, partnership, and codetermination. According to Wallace, Gunnigle, and McMahan (2004), these practices are recognized as power-based due to their ability to enhance employee influence in domains that have historically been under the purview of senior management. According to Gunnigle, McMahan, and Fitzgerald (1999), these mechanisms serve as a means by which the workforce communicate their collective perspectives to management. This is achieved through the selection of employee or trade union representatives by the workforce.

Collective bargaining: refers to a procedural mechanism wherein workers unite and designate representatives to engage in negotiations pertaining to their job terms and conditions. Trade unions employ this approach as a means to advance their fundamental objective of preserving or enhancing the working conditions of their members (Flanders, 1968). The outcome is the establishment of legal, mutually agreed-upon contracts that the involved parties are obligated to comply with within a predetermined timeframe. The process can encompass various stakeholders, including the government, labor unions, labor councils, businesses, middle management, and employees. Their functions vary among countries, contingent upon the bargaining framework and legal and practical rights granted to them (Virginia and Chiara, 2014).

Joint Consultation: This is apparent in both the presence and absence of unions. According to Marchington et al. (2001), this method entails the convening of employee representatives and management to deliberate on matters that are of shared concern and interest to both entities. According to Bennett (1997), in this context, management maintains authority over the decision-making process while also aiming to harness the energy and initiative of the workforce through their active participation in decision-making activities. Armstrong (2003) asserts that in order for joint consultation to be effective, it is important to initially establish, deliberate, and reach consensus on its objectives. The process of mutual consultation can manifest in various forms, with the most prevalent being the establishment of Works Councils. According to Wallace, Gunnigle, and McMahan (2004), works councils are primarily regarded as consultative and representing a wider spectrum of employee opinions compared to trade unions alone. There are three primary benefits associated with these mechanisms: firstly, they facilitate a collaborative process wherein management and employee representatives collectively deliberate on matters of shared interest, ensuring representation of the entire workforce; secondly, they offer a platform for management and employees to address both strategic and operational concerns.

Worker Well-Being

The well-being of individuals in the workplace is somewhat influenced by their ability to engage in actions that align with their natural inclinations, thereby enhancing their overall well-being. Previous research has provided substantial evidence suggesting that the well-being of workers has a beneficial impact on the performance of organizations. This is achieved through the reduction of employee absenteeism, turnover, and voluntary effort (Spector, 1997), as well as the enhancement of organizational citizenship (Podsakoff, MacKenzie, Lee, J.-Y and Podsakoff, 2003) and job performance (Cropanzano and Wright, 2001; Judge, Thoresen and Patton, 2001). The well-being of workers can be adversely affected by various circumstances, including but not limited to a severe workload, insufficient managerial assistance, and little or no involvement in the decision-making process (Quinn, DiRenzo, Xu and Duan, 2014). Existing research has widely acknowledged that inadequate worker well-being can result in adverse outcomes for employees, organizations, and society as a whole. These consequences include diminished performance, increased employee turnover, absenteeism, decreased motivation, and disloyalty (Holland, Allen and Copper, 2013; Hon, Chan and Lu, 2013).

Psychological Well-being: As described by Day and Randell (2014), refers to workplaces that strive to minimize negative demands and pressures while also utilizing organizational resources to enhance well-being. In order to achieve psychological balance in a workplace, it is essential to establish a culture that promotes support,

respect, and fairness. Additionally, employee involvement and development are crucial. Work should be safe, ergonomically designed, and tailored to the needs and skills of employees. Interpersonal relationships with supervisors, co-workers, and clients should be positive. Work-life balance should be maintained, and there should be a strong commitment to corporate social responsibility (Kelloway and Day, 2005). The active and continual engagement of organizational management is a crucial undertaking of significant importance. According to Kahn's (1990) theoretical framework, employee engagement is positively influenced by the satisfaction of their fundamental needs, which encompasses their physical well-being. Empirical evidence has demonstrated that the majority of employees has an innate inclination to make valuable contributions to an organization or a bigger entity when their own needs and the requirements of the company are satisfied. This serves to expand their focus and engagement in areas that are relevant to the well-being of the business.

Physical Well-being: The concept of physical well-being pertains to the overall health and functionality of an individual's biological systems. The maintenance of workers' physical well-being is crucial, as it directly impacts their ability to effectively carry out their job responsibilities. The physical well-being of workers is significantly influenced by their ability to maintain sufficient energy levels for everyday tasks (Ryan & Frederick, 1997). A significant number of employees lack the chance to participate in physical activity while at work. Studies indicate that physical activity is crucial in alleviating stress (Brailovskaia, Teismann and Margraf, 2018), as the well-being of workers can both impact and be impacted by their physical health (Danna and Griffin, 1999).

Social Well-being: Psychological well-being and physical well-being pertain to the individual employee, while social well-being concerns the interactions among employees (Bradbury and Lichtenstein, 2000). This aspect of well-being pertains to the interpersonal connections and the manner in which an individual engages in communication and social interactions with others (Grant et al., 2007). In an organizational context, social well-being pertains to the interpersonal relationships among employees, whereas physical and psychological well-being pertains to the individual itself (Bradbury and Lichtenstein, 2000).

Relationship between Indirect Voice and Worker Well-Being

Indirect voice promotes worker well-being by encouraging democratic participation and a sense of community among workers. Also, income is a primary determinant of well-being associated with workers living environment and overall well-being of individuals and it has been exposed that income is higher for those in jobs where they are represented by unions than in those in non-union jobs. With the paucity of studies on the association between indirect voice and worker well-being in the multinational oil exploration and producing companies in Nigeria, we therefore hypothesize that:

H₀₁: There is no significant relationship between indirect voice and psychological well-being in the organisation

H₀₂: There is no significant relationship between indirect voice and social well-being in the organisation

H₀₃: There is no significant relationship between indirect voice and physical well-being in the organisation

METHODOLOGY

The study employed a cross-sectional survey methodology, collecting primary data via a structured questionnaire. It involved a population of 10,714 employees selected from six multinational oil exploration and production companies in Nigeria. The sample size of 386 was determined using Taro Yamane's formula for sample size calculation. To ensure the reliability of the questionnaire, Cronbach's Alpha coefficient was calculated, revealing all items to have alpha coefficients above 0.70. Hypotheses were evaluated using Spearman's Rank Order Correlation Coefficient, facilitated by Statistical Package for Social Sciences version 23.0, with tests conducted at a 95% confidence level and a significance level of 0.05.

Table 1: Reliability statistics for the instruments

Dimensions/Measures of the Study Variables	Number of Cases	No. of Items	Alpha (α)
Indirect Voice	272	6	0.957
Psychological Well-being	272	4	0.965
Social Well-being	272	4	0.889
Physical Well-being	272	4	0.744

Source: SPSS Output

DATA ANALYSIS AND RESULTS**Bivariate Analysis****Table 2: Correlation Matrix for Indirect Voice and Worker Well-being**

			Indirect Voice	Psychological Well-being	Social Well-being	Physical Well-being
Spearman's rho	Indirect Voice	Correlation Coefficient	1.000	.834**	.623**	.311**
		Sig. (2-tailed)	.	.000	.000	.000
		N	272	272	272	272
	Psychological Well-being	Correlation Coefficient	.834**	1.000	.856**	.393**
		Sig. (2-tailed)	.000	.	.000	.189
		N	272	272	272	272
	Social Well-being	Correlation Coefficient	.623**	.856**	1.000	.399**
		Sig. (2-tailed)	.000	.000	.	.000
		N	272	272	272	272
	Physical Well-being	Correlation Coefficient	.311**	.393**	.399**	1.000
		Sig. (2-tailed)	.875	.000	.000	.
		N	272	272	272	272

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Research Data November 2020 (SPSS output version 23.0)

H01: There is no significant relationship between indirect voice and psychological well-being in the multinational oil exploration and producing companies in Nigeria.

The outcome presented in Table 2 reveals a correlation coefficient of 0.834 between indirect communication and psychological well-being, indicating a highly significant relationship. This finding addresses the first research question. Additionally, Table 2 also displays the statistical significance test (p-value), allowing for the extrapolation of our findings to the broader study population. With a probability value of 0.001, which is less than the significance level of 0.05, the study rejects the null hypothesis and concludes that there is a significant association between indirect voice and psychological well-being within multinational oil exploration and production companies in Nigeria.

H02: There is no significant relationship between indirect voice and social well-being in the multinational oil exploration and producing companies in Nigeria.

Table 2 illustrates a correlation coefficient of 0.623 between indirect communication and social well-being, indicating a substantial relationship. Similarly presented in Table 2 is the statistical significance test (p-value), enabling the extension of our findings to the broader study population. The obtained probability value of 0.001 is less than the significance level of 0.05, leading to the rejection of the null

hypothesis. Thus, the study concludes that there exists a significant association between indirect communication and social well-being within multinational oil exploration and production companies in Nigeria.

H03: There is no significant relationship between indirect voice and physical well-being of the multinational oil exploration and producing companies in Nigeria.

Table 2 presents a correlation coefficient of 0.311 between indirect communication and physical well-being, indicating a weak relationship. Similarly depicted in Table 2 is the statistical significance test (p-value), facilitating the extrapolation of our findings to the broader study population. The obtained probability value of 0.001 is less than the significance level of 0.05, leading to the rejection of the null hypothesis. Consequently, the study concludes that there exists a significant relationship between indirect communication and physical well-being within multinational oil exploration and production companies in Nigeria.

DISCUSSION OF FINDINGS

The study's results have substantiated the notion that the utilization of indirect voice has a good influence on the well-being of workers employed by multinational oil exploration and producing corporations in Nigeria. Table 2 presents the results of the hypothesis tests for hypotheses one, two, and three, indicating a statistically significant positive

correlation between indirect voice and worker well-being. This suggests the utilization of collective bargaining agreements, joint consultative committees, work councils, and similar institutions to articulate the perspectives and contributions of workers (Marchington et al., 2001). The findings of the present study support the earlier research conducted by Collins (2013) on the relationship between labor unionism and organizational productivity in Jos International Breweries (JIB) PLC, Nigeria. The study's results indicate that the utilization of these techniques facilitates dispute resolution inside a business, hence leading to an enhancement in employee productivity. This study's findings align with the research conducted by Mohamed (2014), which examined the impact of trade union activity on enhancing employment conditions, specifically focusing on the instance of Tanzanian teachers.

CONCLUSION AND RECOMMENDATION

The study concludes that indirect voice positively enhances the well-being of employees in multinational oil exploration and production companies in Nigeria, encompassing psychological, social, and physical aspects. Indirect communication mechanisms are acknowledged not only by the management of the researched organizations but also widely utilized by both employees and management.

In light of this, the study recommends that the management of multinational oil exploration and production companies should foster an environment conducive to employee indirect communication. This can be achieved by facilitating collective bargaining, establishing joint consultative committees, and promoting the formation of works councils. These measures are suggested as effective means to enhance the psychological, social, and physical well-being of workers.

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