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EMPLOYEE PERFORMANCE: A STUDY OF NIGERIA
NATIONAL PETROLEUM CORPORATION, (NNPC)

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ABSTRACT

Purpose: The purpose of this study was to examine the impact of internal corporate social responsibility on employee's performance in Nigeria National Petroleum Corporation.

Methodology: This study was descriptive, to satisfy the objective of the study two hypotheses were formulated. Sample for the study was 301 staff of NNPC. The methodology involved the use of simple random sampling and proportionate stratified sampling techniques. Data was gathered through the questionnaire and secondary sources. The data was presented using simple percentage and tables, while the hypotheses was tested using the chi-square statistical tool.

Findings: The findings reveal that the provision of healthcare services have significantly reduced employees' absenteeism and training of employees has led to employees' effectiveness in NNPC.

Unique Contribution to policy and Practice: The study recommended that organizations should prioritize their social responsibilities to the staff by evolving plans and programmes that are staff oriented. Training of staff should be done constantly to sharpen their knowledge on the job task and that Organizations should evolve policies that allow for periodic health check and evaluation of the staff. The study showed that internal corporate social responsibility is essential in encouraging employee's performance.

Key words: *Corporate Social responsibility, Employee Performance*

1. INTRODUCTION

Organizations are increasingly realizing that the major determinant of organizational success is the effective management and deployment of their human assets (employees). Various organizations adopt different measures or strategies of human resource management in order to make their employees happy and to elicit organizational citizenship behaviors such as commitment, organizational identification and high performance.

Employees will prefer to work in an organization where several motivating factors are well appropriated, because a happy worker is likely to be an efficient worker. Employees often raise questions about their welfare package which they consider as internal corporate responsibility of the organization them; such as suitable environment, timely payment, training and development programs, flexible work hours, staff welfare and health services etc. The fulfillment of corporate social responsibility to the employees is likely to reciprocate positively towards the organizations. According to Kramer (2011), raising job satisfaction is a big mission that each organization should achieve by fulfilling the organization's internal responsibility towards its employees.

However, in spite of the laudable role that these welfare packages play in employee performance, for Pietersz (2011) it is regrettable that some organizations pay lip services to their employee's welfare. These welfare packages like health insurance scheme, hospital equipment, drugs for various ailments and oversea treatment seem not to be adequate and objectively managed by the employers and this may cause high absenteeism on the employees of the organization thereby affecting their performance. Also, training programs seems inadequate and subjectively handled. The insurance compensation given to employee seems not to be commensurate to the risk and hazards suffered by the employees, all these may impede on the employee's quantity of work output as they may not be willing to take risks associated with the job/task.

In Nigerian National Petroleum Corporation (NNPC) whose responsibilities range from exploration and production, product marketing, engineering and data support services, and training etc, there appears to be a dip in its production capacity notwithstanding the fact that the organization seems to meet up with its internal corporate social responsibilities to the employers.

NNPC appears to be meeting only 40% of the capacity in production with the refineries shut down now and then, (Nwokeji, 2007). There seems to be a decline in the performance of human resource to cope with the challenges with the over unfolding new dispensation in NNPC. Nwokeji (2007) maintains there are indications that not all employees consistently deliver optimum performance which may have given rise to low production capacity, increase in operating cost, decrease in sales and market shares, etc. It may possible be that inadequate staff welfare package will dampen morale of workers and lead to less commitment and motivation of employees which may in turn affect productivity. This study is therefore designed to investigate the effect of internal corporate social responsibility on

employee performance in Nigeria National Petroleum Corporation in Port Harcourt Metropolis of Rivers State in Nigeria.

2. LITERATURE REVIEW

The concept of internal corporate social responsibility (ICSR) emphasizes policies, practices, and attitude of an organisation towards satisfying the psychological and Physiological wellbeing of the staff (Brammer, Pavelin, & Porter, 2009). These policies and practices include: protection of employees' rights, employee health and safety policies, work-life balance programmes, employee training, equal opportunity policy, etc. Internal corporate social responsibility (ICSR) helps to satisfy the psychological needs of belongingness of employees because it promotes the perception of organizational support for the employees. According to Cavazotte, Corteze, and Chan (2017) there is a likelihood that employees who feel that they are supported and protected by the organization would respond favorably towards the needs and goals of the organization. Brammer, Millinging and Rayton (2007) state that internal corporate social responsibility are activities which are related to all the internal operations of the company. And takes account of how business organizations are obligated to the internal stakeholders in terms of their operations and activities.

According to Aguilera (2007), socially responsible organizations are usually perceived as fair organizations. As a consequence, employees are more likely to trust their company, feel the support, and perceive high quality exchange relationships with the company and its management, feel proud of the affiliation and thus, behave in a manner that is beneficial to the organization. Turker (2009) posit that internal corporate social responsibility entails broad policies that aim at improving the physical environment for several employees, such as eliminating workplace risks that might pose a threat to their health and safety, or designing job in ways that promote involvement and participation.

Cohen (2010) posits that internal corporate social responsibility initiatives can promote positive employee attitudes and their improved performance and therefore affect organizational effectiveness, particularly those that directly affect employees.

2.1 Organizational Health Services and Employee Absenteeism

Absenteeism is the failure of an employee to report for work as scheduled. Barnett, (2007) states that high absenteeism is a concern among organizations trying to maximize profitability and productivity while reducing costs. This means that organizations trying to achieve their strategic goals require the collaborative support of their staff to attain the desired goals successfully and this could be done through the provision of healthcare services.

Organization should perceive health services as an essential segment of making and keeping up a healthy workforce. Maku (2016) opines that some employers do not care whether their workers are healthy or not; all that matters is to get the work done. Such organization according to him cannot sustain its growth in modern times. The health of the workers is bound to affect how often and how long they are away from their place of work.

Ford, Cerasoli, Higgins and Decesare (2011) posit that employee absenteeism is a significant business cost factor, and organizations should understand that their human capital plays a vital role in its growth and success, potentially increasing its competitive advantage in the local and

global economy. That health promotion and wellness initiatives in the office could be a light-touch intervention to reduce absenteeism. When an employee is absent from work, this can have a number of generic effects on company output.

The company may experience an increase in accidents that could occur due to coworkers being confronted with unfamiliar machines or sets of job activities. Coordination problems will reach a climax, and productivity may decline if the replacement worker is less skilled than the absent worker. Through decreased productivity, everyone involved with the employee may become less efficient. When employees understand the health rules and procedures of their job and the tools used for working, it helps them to work effectively and efficiently resulting in better productivity of employees. Organizations who enjoy direct benefit in promoting good health and safety measures of the workers may get the best out of the workers because the workers will feel that the management 'cares' for them; an indication of positive management of health services and which could result in safer working practices and have positive impact on employee performance.

2.2 Training And Employee Job Knowledge

Training refers to bridging the gap between the current performance and the standard desired performance. Training could be given through different methods such as on the coaching and mentoring, peer's cooperation and participation by the subordinates. Training as a team work enable employees to actively participate on the job and produce better performance, hence improving organizational performance. According to Sims (2002) training and development is beneficial not just for the organization itself but also to the individual employees. Training is developed through organized programs that ensure employees are given skills that are essential in the job market. Training generates benefits for the employee as well as for the organization by positively influencing employee performance through the development of employee knowledge, skills, ability, competencies and behavior.

Employee training plays a vital role in improving skill and understanding as well as increasing productivity. This in turn leads to placing organizations in the better positions to face competition and stay at the top. Organizations that device ways of impacting knowledge gain competitive edge over others, and the effective way of doing so is through training.

2.3 Employee Performance

Employee Performance is the successful completion of tasks by a selected individual or individuals, as set and measured by a supervisor or organization, to pre-defined acceptable standards while efficiently and effectively utilizing available resource within a changing environment. Employee performance involves quality and quantity of output, presence at work, accommodative and helpful nature and timeliness of output, (Irum, Ayesha, Syed, Shagufta, and Khanam, 2014). Researches on productivity of employees have shown that employees when satisfied with their job are able to increase their job performance, (Amir and Amen, 2013, Kinicki and Kreitner, 2007). To satisfy the major aim of this study which is to determine the impact of internal corporate responsibility of NNPC on employee performance, the following hypotheses were formulated:

H1: There is a significant relationship between healthcare services and employee absenteeism in National Petroleum Corporation, Port Harcourt.

H2: There is a significant relationship between training and employee job knowledge in National Petroleum Corporation, Port Harcourt.

3. METHODOLOGY

This study employed descriptive survey research. This design helped to investigate opinions, behaviour or other manifestations of a group in the course of questioning them. The population for this study comprised employees of Nigeria National Petroleum Corporation, Port Harcourt. In sample was 301 out of 903 total staff of NNPC. The study made use of simple random sampling and proportionate stratified sampling techniques to elicit information from the respondents. Data was gathered through the questionnaire and secondary sources. The data was presented using simple percentage and tables, while the hypotheses was tested using the chi-square statistical tool.

3.1 Location of the Study

Port Harcourt is the capital and the largest city of Rivers State in the South-South geo political zone of Nigeria. It is along the Bonny river and is located in the Niger Delta. Port Harcourt is located within latitudes 6°58'N to 7°6'N and Longitude 4°40'E to 4°55'E. it falls almost entirely within the lowland swamp forest ecological zone and is flanked in the east, west and southern limits by mangrove swamp. Port Harcourt constitutes the second largest ports in Nigeria in terms of tonnage handling. It also constitutes an important terminal for connection to the outlying villages in the delta area. As the capital of Rivers State, Port Harcourt has become an administrative center with regular air connections to other parts of Nigeria.

4. DATA ANALYSIS AND DISCUSSION

Table 1: Health services of employees and absenteeism

Questions	SA	A	SD	D	Total	%
1 Provision of health services has reduced absenteeism	206 (68.4)	90 (29.9)	1 (0.3)	4 (1.3)	301	100
2 Workers are present at work due to first aid, medicine supply, health training and ambulance services which are adequately provided	209 (69.4)	90 (29.9)	- (-)	2 (0.7)	301	100
3 Workers put in the best when healthcare service are provided	205 (68.1)	88 (29.3)	1 (0.3)	7 (2.3)	301	100
4 Employees may not be absent from work if they discover that health schemes are objectively managed?	297 (97.7)	4 (1.3)	- (-)	- (-)	301	100
5 Proper medical checkup for employees encourages workers not to be absent from work voluntarily?	248 (82.4)	50 (16.6)	1 (0.3)	2 (0.7)	301	100

From the table 1 above the workers identified that provision of healthcare services have drastically reduce absenteeism from work. This can be seen in the response of 206 respondents that constituted 68.4 percent sample who maintained that “provision of health service has reduced absenteeism. This is supported by the high percentage of 82.4 percent of 248 respondents that agreed that “proper medical checkup for employees encourages worker not to be absent from work voluntarily”. Implication of this table to the study is the majority of the respondents from this table identified that the internal corporate social responsibility of provision of healthcare services have reduced absenteeism.

Table 2: Training and employees job knowledge

Questions	SA	A	SD	D	Total	%
1 Training of staff in the organization has positively affected employees job knowledge?	248(82.4)	50(16.6)	1(0.3)	2(0.7)	301	100
2 The staff training reduces consumption of time and cost thereby increasing output of employees?	205(68.1)	88(29.3)	1(0.3)	7(2.3)	301	100
3 My organization trains its employees well enough and it enhances their skills and effectiveness?	208 (69.1)	85 (28.2)	3(1)	5 (1.7)	301	100
4 Creativity comes through constant training on and off on the job and it has led to effectiveness of the employee?	287(95.3)	10(3.3)	1(0.3)	3(1)	301	100
5 Training has helped the job performance of employees in NNPC?	265(88.0)	29(9.6)	2(0.7)	5(1.7)	301	100

From the table two hundred and forty-eight (248) respondents constituting 82.4% agreed that ‘training of the staff has positive effect on the job knowledge’, 205 (68.1%) respondents maintained that “training reduces consumption of time and cost thereby increasing work out put”. The implication of this table is that majority of the employee agreed that training has enhanced staff performance in NNPC.

5. TEST HYPOTHESES

5.1 Hypothesis 1

H1: There is a significant relationship between healthcare services and employee absenteeism in National Petroleum Corporation, Port Harcourt.

To test this hypothesis, the responses of the respondents in item 1 was used to generate the table below.

Table 3: Chi-square analysis for health services and employee absenteeism

Items	SA	A	D	SD	Total
1	206	90	4	1	301B1
3	205	88	7	1	301B2
4	297	4	-	-	301B3
Total	708 A1	182 A2	11 A3	2 A4	903

Placing the observed and expected values in a tabular form, we have;

Table 4: Data for hypothesis one

O	E	(O - E)	(O - E) ² /E
206	236	30	0.3
90	60.7	29.3	1
4	3.7	0.3	0.2
1	0.7	0.3	0.9
205	236	31	0.3
88	60.7	27.3	0.9
7	3.7	3.3	1.8
1	0.7	0.3	0.9
297	236	61	0.5
4	60.7	56.7	1.8
-	3.7	0	0
-	0.7	0	0
Total			8.6

The table above is a 4 x 2 contingency table, hence the degree of freedom.

$$(df) = (C - 1) (R - 1)$$

$$(df) = (4 - 1) (2 - 1)$$

$$df = 3 \times 1 = 3$$

Thus, $df = 3$.

The from the table, value of x^2 at a significance level of 0.05 and degree of 3 = 7.815. The calculated value of $x^2 = 8.6$. Since the calculated value of X^2 is greater than the table value of x^2 , we therefore accept the alternate hypothesis which states that there is a significant relationship between healthcare services and employee productivity.

5.2 Hypothesis 2

H1: There is a significant relationship between training and employee job knowledge in National Petroleum Corporation, Port Harcourt.

To test this hypothesis, the responses of the respondents in items 2 as represented in table 2 were used.

Table 5: chi-square analysis for training and job knowledge.

Items	SA	A	D	SD	Total
1	248	50	2	1	301B1
3	208	85	5	3	301B2
5	265	29	5	5	301B3
Total	721 A1	164 A2	12 A3	9 A4	903

Placing the observed and expected values in a tabular form, we have;

Table 6: Data for hypothesis two

O	E	(O - E)	$(O - E)^{2/E}$
248	240.3	7.2	0.1
50	54.7	4	0.1
2	4.0	2	1
1	3.0	2	1.3
208	240.3	32	0.3
85	54.7	30.2	1.1
5	4.0	1	0.3
3	3.0	0	0
265	240.3	24.2	0.3
29	5.8	25.8	8.8
5	4.0	1	0.5
5	3.0	2	1.33
Total			15.33

The table above is a 4 x 2 contingency table, hence the degree of freedom.

$$(df) = (C - 1) (R - 1)$$

$$(df) = (4 - 1) (2 - 1)$$

$$df = 3 \times 1 = 3$$

Thus, df = 3.

The table value of x^2 at a significance level of 0.05 and degree of 3 = 7.815. The calculated value of $x^2 = 15.33$, since the calculated value of x^2 is greater than the table value of x^2 , the alternate hypothesis which states that there is a significant relationship between training and employee efficiency is hereby accepted.

5.3 DISCUSSION OF FINDINGS

The findings of this study revealed that provision of healthcare services have significantly affected employees' absenteeism in NNPC. This is in line with Olajuwon (2017) who stated that if workers don't receive the required medical services at work, they may not be properly motivated to carry out their jobs which will lead to a dip in their productivity. This is also in line with item 2 in table 1 that 69.4 percent of the respondents strongly agreed that when welfare measures such as routine for employees, first aid, medicine supply and ambulance services are effectively provided, it could lead to an increase in productivity.

The study also found that training of employees in NNPC has led to employees' effectiveness. This is in line with Isidore (2016) that staff training and development activities are important for the growth and development of every organization. He further stated that training will improve employees' skills and make them have enough knowledge of the job.

6. CONCLUSION

The study concludes that when organizations perform their internal corporate social responsibility, employees would effectively perform their task because the provision of welfare packages serve as a morale booster.

7. RECOMMENDATION

Based on the findings of this study the following recommendations were made:

1. Organizations should prioritize their social responsibilities to the staff by evolving plans and programmes that are staff oriented.
2. Training of staff should be done constantly to sharpen their knowledge on the job task.
3. Organizations should evolve policies that allow for periodic health check and evaluation of the staff.

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