



## **Pipeline Vandalism And Quality Of Worklife Of Employees: A Study Of Shell Petroleum Development Company**

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### **ABSTRACT**

Understandably, the dynamics of pipeline vandalism in this study is to establish the independent variable. The Niger Delta has been ignored and marginalized by both the Nigerian state and the multinational oil companies (MNOC) which includes shell petroleum Development Company. The attendant effect has been various strategies. On the government side-amnesty while SPDC adopted other managerial strategies which include outsourcing labour and casualization of labour. The effect of this managerial policy on the employee's quality of worklife has been most deplorable according to the findings of the study. The study further reveals that pipeline vandalism cuts oil production and profit margin and in a bid for SPDC to stay in business, the down sizing of labour, divestment of marginal fields and other policy decisions were taken which reduces the quality of worklife of employees. The equity theory therefore provided a veritable platform for analyzing the external and internal variables of the study. The study recommended a multi-faceted and multi –sectorial approach by stakeholders and noted that the use of force is a puerile and wasteful. Again, it was recommended that SPDC should implore direct employment instead of contract staffing and reduction in the workforce.

**Keywords:** Pipeline vandalism, quality of worklife, casualization of labour, Job insecurity, work place democracy, contract staffing

### **INTRODUCTION**

Historically, while struggles by youths for societal acceptance are as old as mankind, demands for environmental right and reparation is of a much more recent origin. In the Niger Delta which constitutes the purview of our study, adequate copious literature exist documenting the exuberance of youth groups agitating for a niche in the scheme of things, either at the village level, the local government level or at the various state levels African crisis group (2006).

More than ever before the Niger Delta region and its people are embroiled in a paradox of contradiction; expropriated and exploited by the oil multinational, corporation (OMNCs) operating in the area and a protective rentier state, she is also under the excruciating pangs of a phase of rage from the youths who have imploded on her under the guise of taking their pound of flesh from the multinationals (Epelle, 2006:1).

From the foregoing, the youth deliberately involve in oil pipeline vandalism as result of perceived neglect of the good things of life by the Nigeria state. A trigger point still frequently was the “two million man march” in March, 1998, when the late military dictator, Gen Sani Abacha, bussed people from around the country to Abuja and paid them to rally for a continuation of his rule. For thousands of young Niger Delta residents, the sight of highway overpasses in a city with no river was a revelation. Africa report, (2006). They, felt cheated, exploited and saw unequal infrastructural development with their oil money from their land. This intensify military and the emergence of the amnesty programme. The point we intend to situate here is that, pipeline vandalism has caused multinational oil companies majority by shell petroleum development company (SPDC) to have low oil production.

**The value of Nigeria’s average daily oil production stolen and shut in between 2000-2008 is shown below:**

Year	AV Price Bonny Crude	Volume stolen BDP	Value of stolen (USD)	assumed production shut in USD	Value of Production shut in USD	Daily AV. Stolen shut in	Total Value USD
2000	28.49			250,000	\$2.6 Billion		
2001	24.50			200,000	\$1.8 Billion		
2002	25.15		\$3.2 Billion	350,000	\$3.7 Billion	650,00	\$6.9 b
2003	28.76	300,000	\$4.2 Billion	230,000	\$3.2 Billion	530,000	\$6.4 b
2004	38.27	300,000	\$5.1 Billion	180,000	\$3.7 Billion	430,000	\$8.8 b
2005	55.67	250,000	\$5.1 Billion	600,000	\$3.7 Billion	700,000	\$17.0 b
2006	66.64	100,000	\$2.7 Billion	600,000	\$14.6 Billion	700,000	\$19.26 b
2007	75.14	100,000	\$2.7 Billion	600,000	\$16.5 Billion	700,000	\$19.2 b
2008	115.81	150,000	\$6.3 Billion	650,000	\$427.5 Billion	800,000	\$33.8b b

**Source: Stephen Davis, 2009**

Youths armed with supplicated weapon are on the prowl hijacking several people in exchange for large sums of money and thereby increasing the level of insecurity. For the purpose of the paper, we have operationalized pipeline vandalism to be the willful or deliberate act of damaging petroleum pipeline with the sole aim of stealing crude oil and associate petroleum products (Orji, 2019). The implication of this activity on the balance sheet of SPDC has evolved various other managerial strategies which has affected the quality of workforce (OWL) of SPDC employees. The study intends to x-ray intricacies ad challenges facing SPDC in the Niger Delta region.

**Statement of the Problem**

The crux of our analysis centres on pipeline vandalism as an external factor that is not within control of the SPDC. The effect of pipeline vandalism has reduce the oil production shalt in, as a mater managerial adjustment, SPDC do not employee direct staff. Workers are casualized. Casual workers is a designation for an employee on temporary employment who does not have any work right or fringe benefits for the task he perform in his workplace. Nkpah and Agalume (2008) observed that the effect of casualization on workers can better be imagined than explained. The effect is in many and varied; ranging from insecurity of employment, poor quality output, dissatisfaction and frustration due to job insecurity stress related illness, wasting time on job hunting, cyclical misery search for contract etc. Again, quality of worklifewhich is a concept that has to do with the “individuals jobs related well – being and the extent to which his or her work experience is rewarding, fulfillment and devoid of stress and other negative personal consequences”

Shamir and Solomon (1995).From the foregoing, it follows that for causal worker to enjoy the benefit of work they must look at how humanized work is, involvement in workplace democracy and the socio-technical work design.

The methodology of divestment and casualization of labour by SPDC will be investigated looking at pipeline vandalism as the independent variable. The niche the study has carved for itself centres on the institutionalization of casualization of labour and its attendant effect on working especially employees of SPDC.

### **Research Hypotheses**

1. Pipeline vandalism causes fall in oil production which affects the employment statuses of employees of SPDC.
2. Casualization of labour reduces the quality of work life of SPDC employees.

### **Research Question**

1. To what extent do pipeline vandalism causes fall in oil production which effects the employment status of staff of SPDC?
2. To what extent do casualization of labour reduces the quality of worklife SPDC employees.

### **Conceptual Clarifications**

For clarity purpose, the following concepts should be understood

Thus:

#### **The concept of pipeline vandalism**

Pipeline vandalism is the wilful or deliberate act of damaging petroleum pipeline with the sole aim of stealing crude oil and associate petroleum products. Orji, (2019) Oil pipeline vandalism and oil theft are the crime which is among the country's worst social problem since the 1970's. Legislation on prescribed laws and punishments with regard to it includes use of international oil companies (IOCS) surveillance programmes for tracking down oil thieves for decades has not yielded positive expected result. (Orji, 2019)

The Nigerian oil industry is heavily dependent on ground surveillance for security and integrity of oil pipeline. Ground surveillance is accepted internationally as practical and cost effective means of securing pipeline against third party damages. International oil companies (IOcs) in Nigeria accordingly adopted ground surveillance in order to prevent and mitigate illegal interference with pipeline. (Orji, 2019).

Mobilize broad-based partnership that work to foster better community relations and improve the process as of community rehabilitation, training re-socialization, capacity building and empowerment for youths should be taken as a priority and there should be efforts to integrate into these partnerships culture of work broad educational pursuits and skill acquisition as to reduce the lucrative nature of pipe vandalism (Orji, 2019).

#### **The Concept of Quality of Worklife**

Shamir and Solomon (1985) in defining the concept of QWL stated that QWL has to do with the "individuals job related well-being and the extent to which his or her work experience is rewarding fulfilling and devoid of stress and other negative personal consequences". This definition focuses the concept of QWL on the "well-being" of the individual at work. "Well-being" is a psychological state or feeling, and as such, it is cognition of happiness or satisfaction.

Therefore, the exact nature and level of 'well-being', which an individual experiences at work, can only be determined by his observed affective response to work activities, which is bound to be largely influenced by his perception of the relative important of the outcome of his work activities. Basing on this argument, we are inclined to believe, that the nature of the quality of worklife of an individual, cannot be correctly ascertained without focusing on his "perceived Quality of Work Life (pQWL)" (Ahiauzu, 1999). For the purpose of this work therefore, QWL is operationalized in pQWL. Perceived Quality of Worklife can be defined:

*"a set of affective impressions and beliefs) which the individual holds and direct toward the outcome of the activities in the work domain of his life. Ahiauzu (1999).*

The outcome of the activities may include financial and material benefits, opportunity for self actualization, security of employment, advancement opportunities good social relations at work. As argued by Rice et al (1985) every person consciously or unconsciously maintains certain standards to which the outcomes of work activities are compared. It is possible to have positive or negative discrepancy between outcome and standard. Some degree of personal importance is also attached to individual outcomes. So, the contribution of an outcome of work activities to a person pQWL, can be determined by weighting the discrepancy between outcome and standard, with the personal importance of the outcome to the person. The sum of the weighted discrepancies for all outcomes of work activities, determines the aggregate effective response of a person to work, which reflects that persons perceived quality of work life. The following equation expression this argument as stated by Ahauizu (1999).

$$pQWL = W_1(O_1 - S_1) + W_2(O_2 - S_2) + \dots + W_n(O_n - S_n)$$

Which is summation notation is:  $pQWL = \sum_{i=1}^n W_i(O_i - S_i)$

pQWL = Perceived Quality of Worklife

$O_i$  = The outcome of work activities

$S_j$  = The Standard relevant to a particular outcome

$W_j$  = The personal importance of Weighting

It is important to note that, a major element in the above pQWL formulation is the perceived value of an outcome to a person. While appraising an outcome, one merely undertakes a cognitive evaluation of the difference between ones standards and perceptions of the outcomes one is currently receiving, has received in the past, and anticipated receiving in the future, from ones work activities.

#### **Casualisation of Labour**

This could be defined as a practice of replacing the employment of workers on continuing contract with hiring of workers on an hour basis with no job guarantee of continued employment or acceptance of any commitment to pay rates related to cost of living or conditions of employment which constitute a reasonable basis of life.

#### **Contract Staffing**

It describes a work arrangement, which is not in line with the traditional pattern of employment. In such employment contract the workers are engaged by an employer over a specified period of two or three years after which the contract could be terminated or renewed pending on performance on the work or the satisfaction of the employer or future demands by the principal. In contract staffing, the task is usually subcontracted by the principal (SPDC) to a labour contractor who recruits the workers over an agreed period of time and specified terms.

#### **Job Insecurity**

Job insecurity is defined as a condition wherein employees lack the assurance that their jobs will remain stable from day to day, week to week, and year to year.

#### **Work Place Democracy**

This is expressed in trade union which refers to organization of workers in the industry in their various occupations it is formed for the purpose of protecting the interest of workers in their relationship with employers. Trade Unions are concerned with the general well-being of workers and works towards creating a conducive working environment and good condition of service in the work place.

#### **Theoretical Framework**

J. Stacy Adam (1961) developed the equity theory which is used in this work to show the disparity between contract workers and permanent staff of SPDC as well as their perceived quality of worklife (PQWL). It is a process motivation theory whose origins lie in studies of social comparison. It's root can be traced back to cognitive dissonance theory. The theory explains how we interpret social rewards and how this interpretation affects the maintenance of a given level of work effort (Nkpah, 2005). According to Adams, we seek social justice in how we are rewarded for our job performance. We take into account first of all, the total sets of reward we experience from work, Rewards for our job

performance. We take into account first of all, the total sets of reward we experience from work. Rewards include pay, fringe benefits, pleasant relationships, status, privileges and intrinsic interest in the inputs we provide to the job. Inputs include any activity or contribution, which we regard as relevant, expenditure of time and effort, experience, skills, sacrifices, stress level experienced loyalty and commitment Baridam, (2002).

Equity also plays a dominant part, when a worker is appraising the value of the remuneration of material benefits outcome of his work activities and its contribution to the quality of worklife. In the perceived quality of worklife (pQWL), the differences between outcomes and standard is not enough, but that for purposes to determine the functional relationship between outcome standard (O-S) discrepancies, and the perceived quality of worklife.

Equity theory argues that in a work situation, felt inequity exist when an individual feels that the rewards received in return for his contributions are relatively less (felt negative inequity) or more than (felt positive inequity) those received by others.

Schematically, this is represented as follows

Felt negative inequity	Rewards (own) input (own)	Reward (others) input (other) ↓
Felt positive inequity	Rewards (own) input (own)↑	Reward others input (others) ↑

Source: Baridam, 2002

The individual in the first example experiences negative inequity because he feels that his is receiving less than others in proportion to his inputs, while in the second example he experiences positive inequity because we feels that he has received relatively more than others in proportion to his inputs. Both felt negative and positive inequity are motivating state. When others exist, the individual may engage in one or more of the following six behaviours to restore a sense of equity. In this work, these are “weighting” behavioural patterns.

1. Change inputs
2. Change rewards received
3. Alter perceptions of self
4. Alter perceptions of others
5. Leave the situation
6. Change the comparison points

From the above, inputs into the work organization of SPDC can be changed; the structure of the organization dictates power and communication, while organizational values underlying the various processes. Further giving information to the pipeline vandals may be new value by employees, just to gel at the organization.

In the work environment, individuals are distinguished by their unique attributes, values, needs and personalities, characteristics the individual brings to the organization, which many develop further in the organization. These characteristics determine how individuals perceive what goes on around them and how they react.

## METHODOLOGY

Research methodology according to Okafor (2019) is an explicit explanation of the way and how the research is going to be carried out. Research methodology embraces all the process involved in obtaining and analyzing the relevant data to the study.

In as much as the phenomenon understudy can be observed, the survey method technique is adopted. This is because the survey technique or method is particularly important in large population studies since it require solution and studying samples chosen from the population to discover the relative important incidents. From these samples the researchers infer the characteristics of the defined population or universe.

The survey technique became necessary because of the difficulty involved in studying the whole population of SPDC. Survey method focuses on people, the vital facts of the people and their beliefs, opinions, attitudes and motivation and behavior (Anikpo, 1986).

Surveys are particularly versatile and practical especially for the social scientist institutional analyst, in that they identify present conditions and point to present needs. Surveys do not make the decisions for the management but they can provide them with the information on which to base sound decision. Since this study is not aimed at compelling the SPDC but to help them in proffering better policies in their fight to stay in profit maximization in the oil sector.

**Sample Size Determination**

In order to select samples for this study the stratified random sampling technique was adopted. Abridged particulars were acquired from the outsourced contractors of SPDC. A total 806 employees of SPDC Port Harcourt industrial area and residential area made up the list. The Taro-Yamene formula was applied and the sample size of 105 personnel was administer our instrument.

**ANALYSIS OF DATA AND RESULT INTERPRETATION**

The study centres on pipeline vandalism and quality of worklife or SPDC employees. This summarizes and discusses the responses of the completed and returned questionnaires. A total of one hundred and five questionnaire were correctly filled and submitted.

**Test or Hypothesis one**

H<sub>i</sub>: Pipeline vandalism causes fall in oil production which affects the employment status of employees of SPDC.

Computation of Questionnaire

Pipeline vandalism affect employment status of employees	<b>Agreed</b>	<b>Disagreed</b>	<b>Undecided</b>	<b>Total</b>
	35(37)	30(27)	(6)3.2	71
	20(37)	10(27)	(4)3.2	34
	55	40	10	105

$$Fe = \frac{\text{row total} \times \text{column total}}{\text{Grand total}}$$

$$\frac{55 \times 71}{105} \times \frac{40 \times 71}{105} \times \frac{10 \times 34}{105}$$

(37)      (27) (3.2)

Fo	Fe	(Fo - Fe)	(Fo - Fe) <sup>2</sup>	$\frac{(Fo - Fe)^2}{Fe}$
35	37	-2	-4	0.1
30	27	-3	-6	0.2
6	3	3	6	2
20	37	-17	289	7.8
10	27	-17	289	7.8
4	3	1	1	1
				<b>X<sup>2</sup> = 18.9</b>

Degree of freedom of 2 at 0.05

Significance level = 5.99

Calculated x<sup>2</sup> = 18.9

Decision Rule; N<sub>0</sub> = Rejected

H<sub>1</sub> = Accepted

Respondents accept that pipeline vandalism affects employment status,

**Test of hypothesis two**

H<sub>1</sub>, casualization of labour reduces the Quality of workd life of SPDC employees.

Fo	Fe	(Fo - Fe)	(Fo - Fe) <sup>2</sup>	$\frac{(Fo - Fe)^2}{Fe}$
40	37	3	9	0.24
20	21	-1	1	1
5	4	-1	1	1
20	37	-7	49	2.45
15	21	-6	36	2.4
5	4	-1	1	1
				<b>Σx<sup>2</sup> = 18.9</b>

Degree of freedom (df) = (r - 1) (c - 1)  
 = (2 - 1) (3 - 2)  
 = 2

Df at 2 = 0.05  
 Significance level = 5.99  
 Calculated x<sup>2</sup> = 8.09  
 Decision Rule:  
 H<sub>0</sub> = Rejected  
 H<sub>1</sub> = Accepted.

**DISCUSSION OF FINDINGS**

From the chi-square test of hypothesis one, calculated value 18.9 is greater than the table value of 5.99, we therefore, accept our alternate hypothesis that pipeline vandalism causes fall in oil production which affects the employment status of employees of SPDC. Oil theft and bunkering activities reduces the profit margin or multinationals like SPDC. To stay afloat in business, the company adopt different managerial strategies such as divestment and downsizing of its workforce as well as outsourcing of employees. From the findings, the study reveal that pipeline vandalism has impacted on six variables; individuals, groups, affective, organizational, goals, and by extrapolating casualization of work in SPDC. The level of the quality of life in the work domain of a persons in a society, will depend greatly on how humanized work is, how democratize decision-making processes at workplace are, and how socio-technically well-structured and designed, jobs and work activities are, in the society. Humanization of work involves the application of the principles of security, equity, individuation and social integration in the organization of affairs at workplace. The principle of security here refers to security of income and employment. We are inclined to believe that, even where one can ascertain a worker’s personal importance weighting (w) and the outcome – standard (0-5) element, in relation to remuneration and security of employment, it may not be easy to identify the direct influence of those work outcome on the average SPDC’s workers perceived quality of worklife.

In the test of hypothesis two, the calculated chi-square test was 9.09 and the table value was 5.99. The null hypothesis was rejected and the alternate accepted. It follows that casualization of labour reduce the quality of worklife or SPDC employees. Casualization of workers do not allow for participation in the decision making of employees in SPDC. Collective bargaining and joint consultation as institutional forms of participation in Nigeria is not allowed in SPDC as contract staff are tied to their parent outsourcing contractor. This further alienate the employees from the process of decision affecting their welfare which reduces the employee’s quality of worklife. The implication of this is that for the study of any social phenomenon the economic structure of society should serve as point of departure. For SPDC as a capitalist organization, economic advantage tend to be reproduce in other aspects of social life, it also guides the alignments of interest in the existing social order. Again, economic inequality also carries with it unequal power relations, and therefore the tendency for the preservation of the morality and values of the privileged economic group in society.

The finding however, collaborated with the finding of Weir (1976) cited in Ahiauzu (1999:78) that “jobs must be designed so that people doing them have some autonomy and are allowed to regulate and control their own work. In particular, some preparatory and control activities must be incorporated into the total work process, along with the accomplishment of the main task”.

With casualization of work, the above quotation is not achievable. It further negates the quality of worklife of SPDC employees.

## **CONCLUSION**

Conclusively, the most single influence on organizational policy and strategy especially shell Petroleum Development Company is the environment both outside and inside. For the purpose of this paper, outside environment (pipeline vandalism) has been taken as the independent variable. Worthy of note is that the environment has barely been exceeded in complexity, turbulence, rapidity of change, and significance of changes, the dynamic nature of the environment has brought with it a greater impact on human attitudes, organizational structures and processes. It is now imperative that SPDC must pay more attention than ever before to their environment when formulating and implementing policies and strategies if they are to survive (Urieto, 1999). In this study, the managerial strategy of casualization of labour by SPDC further causes poor employee quality of worklife. It is important that we point out here that sufficient valid published evidence, obtained from seriously designed and executed empirical studies of work organizational practices in workplace does not exist at present, to enable anyone address these questions fully and authoritatively, this informed our study to look at the bit of quality of work life of employees in the Residential and Industrial area of SPDC.

## **RECOMMENDATION**

Based on the findings of this work, the following are recommended;

- SPDC should employ direct employment instead of contract staffing and reduce the workforce.
- Nigerian government and the multinationals (SPDC) should provide enabling environment for the youths through skill acquisition and training.
- Finally, pipeline vandalism is a hydra-headed problem that call for a multi-faceted and multi-sectoral approach by all stakeholders. The use of force to tackle it as we have seen is a puerile and wasteful as the use of such alternative dispute resolution mechanism like commission of inquiry etc is better. Since, no alternative means of livelihood is given.

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