EMPLOYEE ENGAGEMENT AND THE ETHICAL CLIMATE AT WORK IN OIL SERVICING COMPANIES IN RIVERS STATE, NIGERIA.

By

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ABSTRACT

This study examined the connection between employee engagement and the ethical climate at work in oil servicing companies located in Rivers State, Nigeria. The oil servicing industry is known for its high operational risks and ethical dilemmas, and growing concerns about declining employee commitment, satisfaction, and willingness to go beyond formal job roles made the study necessary. To ensure equitable representation, a correlational research design was used, and data were gathered from 350 employees selected from various oil servicing companies using stratified random sampling. The ethical climate of the workplace and the aspects of employee engagement—emotional commitment, job satisfaction, and organizational citizenship behavior—were assessed using a structured questionnaire. This study examined the connection between employee engagement and the ethical climate at work in oil servicing companies located in Rivers State, Nigeria. The oil servicing industry is known for its high operational risks and ethical dilemmas, and growing concerns about declining employee commitment, satisfaction, and willingness to go beyond formal job roles made the study necessary. To ensure equitable representation, a correlational research design was used, and data were gathered from 350 employees selected from various oil servicing companies using stratified random sampling. The ethical climate of the workplace and the aspects of employee engagement—emotional commitment, job satisfaction, and organizational citizenship behavior—were assessed using a structured questionnaire. According to the study's findings, maintaining employee engagement can be achieved strategically by fostering a strong ethical climate. It suggests enhancing moral guidelines, open communication, and acknowledging moral behavior in oil service companies.

Keywords: Workplace Ethical Climate, Employee Engagement, Emotional Commitment, Job Satisfaction, Organizational Citizenship Behavior, Oil Servicing Firms.

INTRODUCTION

In high-risk industries like oil and gas, where human factor dependability is crucial, employee engagement has emerged as a strategic priority for businesses looking to maintain performance, agility, and safety. In these situations, trust, psychological safety, and discretionary effort are shaped by the ethical climate of the workplace—the common views on what is morally correct behavior and how ethical issues are resolved. Afsar and Umrani (2020) and Demirtas et al.

(2021) have found that ethical leadership and ethical climates are associated with higher levels of work engagement. They also found that fair procedures, transparent policies, and value-consistent decision making energize employees and deepen their dedication to their roles.

Rivers State's oil and gas servicing companies work in the face of intricate technical risks, Niger Delta community expectations, and stringent client and regulatory compliance requirements. An enabling ethical climate in this setting can help engage engagement domains like vigor, dedication, and absorption, promote voice on safety or compliance issues, and lessen uncertainty about "how we do things here." There is growing local evidence from oil and gas companies in Rivers State and the larger South-South region that inclusive and encouraging work environments are associated with better employee engagement outcomes. This supports the business case for ethics as an engagement lever in this industry (Olanrewaju & Okorie, 2022; Nwankwo & Samuel, 2023).

Studies released since 2020 have consistently demonstrated that an ethical climate has a positive relationship with engagement and associated outcomes (such as affective commitment and job satisfaction) across industries and nations. It can even serve as a mediator in the transfer of leadership values into daily behavior. The generalizability of ethical climate mechanisms is highlighted by these effects, which seem to be strong across organizational types and national contexts (Neubert & Halbesleben, 2020; Sharma & Kaur, 2022).

According to current reviews, the ethical climate serves as a cultural scaffold that normalizes responsibility, fairness, and compassion, which in turn increases affective attachment to the organization and intrinsic motivation. Consequently, higher levels of engagement are linked to these motivational pathways. In contrast, cynicism and disengagement can be fueled by instrumental or self-interested climates that undermine pride and person-organization fit. These two paths demonstrate the importance of fostering moral or charitable environments in order to maintain participation in hard work systems such as oil servicing operations (Mayer et al., 2021; Al Halbusi et al., 2022; Adeyemi & Ibekwe, 2024).

There are significant ramifications for well-being as well. According to systematic reviews, ethical workplace cultures reduce burnout and turnover intentions, two factors that frequently deter participation in safety-critical industries. For businesses handling round-the-clock operations, intricate supply chains, and contractor ecosystems typical of Rivers State's oil servicing environment, enhancing the ethical climate is therefore not only an engagement strategy but also a risk-reduction and retention strategy (Kang & Park, 2023).

When combined, these observations offer a strong justification for investigating the relationship between employee engagement and the ethical climate of the workplace in Rivers State's oil servicing companies. The study can produce practical recommendations for leaders looking to improve safety culture, service quality, and organizational resilience by empirically examining the relationship between differences in perceived ethical climate and engagement dimensions in this local context (Nwankwo & Samuel, 2023; Adeyemi & Ibekwe, 2024).

It is well known that employee engagement is a major factor in organizational effectiveness, especially in high-risk sectors like oil servicing. According to Nwankwo and Samuel (2023), there is a growing concern about low motivation, declining morale, and high turnover intentions among oil servicing firm employees in Nigeria, particularly in Rivers State, where engagement levels appear inconsistent. The ethical climate at work, which influences employees' views of justice, trust, and appropriate behavior, is a significant factor that could account for these trends.

There is little empirical data in the Nigerian oil servicing context, despite the fact that international research indicates that ethical environments marked by justice, compassion, and principled decision-making promote greater employee engagement (Demirtas et al., 2021; Kang & Park, 2023). When organizational values do not match ethical expectations, employees may disengage, according to reports of favoritism, poor ethical practices, and insufficient communication of ethical policies in some firms (Olanrewaju & Okorie, 2022). Leaders run the risk of ignoring the ethical climate's contribution to engagement in the absence of context-specific research, which could have consequences for retention, productivity, and the organization's reputation. Thus, this study looks into the connection between employee engagement and the ethical climate at work in Rivers State's oil servicing companies.

Aim and objective of the Study

The purpose of this study is to investigate the connection between employee engagement and the ethical climate of oil servicing companies in Rivers State, Nigeria.

1. To ascertain how employees' emotional commitment in oil servicing companies is impacted by the ethical climate at work.

2. To investigate how employees' job satisfaction in oil servicing companies relates to the ethical climate of the workplace.

3. To evaluate how organizational citizenship behavior among workers in oil servicing companies is impacted by the ethical climate at work.

Research Questions

1. How does the ethical climate at work affect the emotional commitment of workers in oil servicing companies?

2. How does job satisfaction among employees in oil servicing companies relate to the ethical climate of the workplace?

3. How much does organizational citizenship behavior among workers in oil servicing companies depend on the ethical climate at work?

Research Hypotheses

H_{01}: Employee emotional commitment in oil servicing companies is not significantly impacted by the ethical climate of the workplace.

H_{02}: Employee job satisfaction in oil servicing companies is not significantly correlated with the ethical climate of the workplace.

H_{03}: Employee organizational citizenship behavior in oil servicing companies is not significantly impacted by the ethical climate of the workplace.

Literature review

Workplace ethical climate

The term "workplace ethical climate" describes how employees feel about what is morally correct behavior and how ethical issues are handled in a company. The idea's theoretical foundations are found in Victor and Cullen's (1988) organizational bases of ethical work climate, a framework that differentiates between different climate types (such as benevolent, principled, and egoistic) and connects them to behavioral outcomes. According to recent research, ethical climate is a collective-level cultural construct that communicates organizational priorities, appropriate behavior, and the anticipated reasoning behind decisions (Victor & Cullen, 1988; systematic reviews 2020–2024).

Recent empirical research indicates that benevolent and principled workplace cultures—those that prioritize justice, rules, and consideration for others—are linked to favorable employee outcomes like increased affective commitment, decreased cynicism, and decreased intentions to leave. On the other hand, unethical behavior, cynicism, and a diminished sense of organizational identification are associated with self-interest or instrumental climates (meta-analytic and review work 2020–2023). A number of recent studies also emphasize how ethical climates function, influencing attitudes and discretionary behaviors through mediators such as psychological safety, trust in leadership, and procedural fairness (recent empirical work; e.g., reviews and cross-sectional studies 2021–2024).

Moderators of ethical-climate effects have also been studied across sectors; task interdependence, leadership consistency, and job autonomy can either strengthen or weaken the relationship between climate and outcomes. The coexistence of strong safety cultures and ethical climates is significant for high-risk industries, indicating overlaps between risk-management norms and ethical expectations (systematic reviews and industry studies, 2021–2024).

Employee engagement (and its dimensions)

According to Schaufeli and colleagues' engagement tradition, employee engagement is most frequently understood as a positive, satisfying state related to work that is marked by vigor, dedication, and absorption. Higher performance, discretionary effort, safety behavior, and reduced absenteeism are all associated with engagement. According to recent research (2020–2024), engagement can be defined as a state as well as a flexible result that is impacted by leadership, organizational context, and job resources (such as autonomy, support, and meaning).

Since 2020, meta-analytic and longitudinal studies have confirmed that meaningful work, supportive leadership, and perceived organizational support all positively predict engagement, while chronic job demands that are not balanced by resources have a negative impact. Over the past five years, the "job demands–resources" (JD-R) framing has been used extensively to explain engagement dynamics. Job resources, such as ethical climate signals like fairness and transparency, serve as motivators and replenish energy, which results in increased vigor and dedication. According to recent methodological reviews, contemporary critiques place a strong emphasis on measurement clarity (state vs. trait engagement) and demand multi-method longitudinal designs in order to unravel causal dynamics.

Emotional commitment

Employees' emotional attachment to and identification with the company is referred to as emotional (affective) commitment. Affective commitment is strongly associated with views of organizational justice, leader integrity, and the significance of work, according to studies conducted between 2020 and 2024. Since affective commitment frequently mediates the relationship between contextual factors (like climate) and behavioral outcomes (turnover, OCB), it is significant that employees tend to have higher affective commitment when they perceive an ethical organizational climate that signals care and fairness.

Job satisfaction

In organizational research, job satisfaction continues to be a key attitudinal outcome. According to recent empirical research, job satisfaction across professional groups—including those in the healthcare, services, and industrial sectors—is positively correlated with the perceived ethical climate. Employees express higher levels of satisfaction with their roles, supervision, and organizational policies when ethical policies and transparent decision-making are seen as genuine and upheld.

Organizational citizenship behaviour (OCB)

It has been repeatedly demonstrated that when employees perceive a prosocial, ethical climate and ethical leadership, their organizational citizenship behaviour (discretionary behaviors that support organizational functioning beyond formal role requirements) increases. According to recent cross-sectional and experimental studies (2020–2023), workplace cultures that prioritize group welfare and moral principles increase employees' willingness to support one another, take initiative, and go above and beyond. Since organizational citizenship behaviour is frequently thought of as a result of both affective commitment and engagement, it is likely to follow from changes in the ethical climate.

Workplace ethical climate and employee engagement

An increasing amount of empirical research in various contexts demonstrates a positive correlation between engagement outcomes and ethical climate (or related constructs like ethical leadership and perceived organizational ethics). Three recurring themes emerge from recent sectoral and cross-national studies (2020–2024): Higher engagement and affective

commitment are predicted by ethical climates that prioritize justice and moral behavior; the relationship is frequently mediated by psychological safety, trust, and perceived organizational support; and (3) ethical climates also lessen negative outcomes (burnout, turnover intentions) that threaten long-term engagement.

A transparent, principled climate and ethical leadership, for instance, are linked to greater vigor and dedication among employees, according to studies published in the early 2020s. Other research indicates that an ethical climate indirectly predicts OCB through increased affective commitment. Boundary conditions are also highlighted by systematic reviews and recent empirical reports: a principled climate by itself might not boost engagement in highly rule-bound or high-pressure environments unless it is combined with supportive resources (e.g., staffing, fair reward systems).

Oil servicing firms and Rivers State (local relevance)

In Rivers State, the oil servicing sector is subject to significant technical, environmental, and social pressures. This operating environment is marked by a high frequency of safety hazards, community scrutiny, and intricate stakeholder demands. Longstanding environmental and governance issues that influence the moral landscape for local businesses and frequently lead to moral conundrums for managers and staff are highlighted by recent regional assessments and reporting on the Niger Delta (regional environmental and policy analyses 2023–2025).

An explicit, upheld ethical climate can be particularly important in these situations. Workers are more likely to trust management, engage in safety behaviors, and stay engaged when organizations successfully communicate and implement ethical standards (combined with safety systems and fair labor practices), according to studies conducted in resource-intensive and high-risk industries. These factors are all crucial for operational reliability in oil servicing operations. On the other hand, engagement can be rapidly undermined and turnover and reputational risk increased by perceptions of hypocrisy, unfair treatment, or tolerance of environmental or social failings.

There is less empirical research specifically focusing on oil servicing companies in the Niger Delta/Rivers State, despite the fact that the global literature strongly connects ethical climate to engagement and related outcomes. Although the number and scope of current Nigerian studies on employee attitudes and workplace ethics are increasing, they are still quite small. This disparity warrants targeted empirical research in Rivers State in order to: (1) confirm whether well-established mechanisms (fairness → trust → engagement) are still applicable in this sociopolitical setting, (2) pinpoint locally significant moderators (environmental risk, community pressures), and (3) offer managers in oil servicing companies practical suggestions for juggling safety, compliance, and stakeholder expectations.

Methodology

This study used a correlational research design to investigate the relationship between employee engagement and the ethical climate of the workplace in Rivers State's oil servicing

companies. Because it enables the researcher to examine the strength and direction of the relationship between variables without changing them, a correlational design is suitable (Creswell & Creswell, 2018). This design works well for figuring out whether organizational citizenship behavior (OCB), emotional commitment, and job satisfaction are indicators of employee engagement that are predicted by ethical climate.

 All workers at oil servicing companies in Rivers State, Nigeria, made up the study's population. The Nigerian Content Development and Monitoring Board (NCDMB, 2023) estimates that the state's registered oil servicing companies employ about 3,500 people, including operational, technical, and administrative personnel.

Stratified random sampling was used to select 350 employees from the population. To guarantee equitable representation of all functional areas, employees were arranged according to department (administration, operations, and technical services). 10% of the population is represented in the sample, which is deemed sufficient for correlation-based research and consistent with related organizational research studies (Krejcie & Morgan, 1970).

A structured questionnaire with two primary sections was used to gather data: Participants' age, gender, department, and educational attainment were recorded in Section A: Demographic Information. Study Variables in Section B: Workplace Ethical Climate: Assessed using a 5-point Likert scale (1 being strongly disagree and 5 being strongly agree), the 15-item scale was modified from Victor and Cullen's Ethical Climate Questionnaire (ECQ). The scale included aspects like egoistic, principled, and benevolent climates. A 15-item scale that covers organizational citizenship behavior, job satisfaction, and emotional commitment was modified from Schaufeli et al.'s (2020) Utrecht Work Engagement Scale (UWES) to measure employee engagement. A 5-point Likert scale was used to record the responses.

Face and Content Validity: To guarantee clarity, applicability, and thoroughness, the questionnaire was examined by three professionals in organizational psychology and human resource management. Construct Validity: To ensure that items loaded correctly onto their corresponding dimensions, factor analysis was carried out during the pilot study.

 For every scale, Cronbach's alpha coefficients were computed. Employee engagement (α = 0.91) and workplace ethical climate (α = 0.87) showed strong internal consistency, suggesting accurate measurement.

 Participants from a selection of firms were given the questionnaires both in person and electronically. In order to guarantee a high response rate, follow-ups were carried out during the four weeks of data collection. Response confidentiality was guaranteed, and participation was entirely voluntary.

SPSS version 27 was used to analyze the data using both descriptive and inferential statistics. Descriptive statistics: The demographic data and variable responses of the participants were compiled using the mean and standard deviation. Statistical inference: Pearson Product-Moment The direction and strength of the relationships between employee engagement

dimensions and workplace ethical climate were tested using correlation. The combined predictive impact of ethical climate on engagement outcomes was investigated using multiple regression analysis. A significance level of 0.05 was used to test the hypotheses. Conclusions and suggestions for practice in oil servicing companies were derived by interpreting the findings in light of earlier empirical research.

Result

H_{01}: Employee emotional commitment in oil servicing companies is not significantly impacted by the ethical climate of the workplace.

		Emotional Commitment	Workplace Ethical Climate
Emotional Commitment	Pearson correlation	1.000	0.682
	Sig. (2-tailed)	.	.000
	N	350	350
Workplace Ethical Climate	Pearson correlation	0.682	1.000
	Sig. (2-tailed)	.000	.
	N	390	390

Employee emotional commitment and the ethical climate of the workplace are strongly positively and significantly correlated, according to the correlation coefficient ($r = 0.682$, $p < 0.01$). This implies that workers are more likely to be emotionally invested in and dedicated to their company if they believe it to be an ethical one.

H_{02}: Employee job satisfaction in oil servicing companies is not significantly correlated with the ethical climate of the workplace.

		Job Satisfaction	Workplace Ethical Climate
Job Satisfaction	Pearson correlation	1.000	0.594
	Sig. (2-tailed)	.	.000
	N	350	350
Workplace Ethical Climate	Pearson correlation	0.594	1.000
	Sig. (2-tailed)	.000	.
	N	390	390

Job satisfaction and workplace ethical climate have a moderately to strongly positive and significant relationship, according to the correlation coefficient ($r = 0.594$, $p < 0.01$). Workers in companies with strong ethical cultures are more satisfied with their jobs, managers, and company rules.

H$_{03}$: Employee organizational citizenship behavior in oil servicing companies is not significantly impacted by the ethical climate of the workplace.

		Organizational Citizenship Behavior	Workplace Ethical Climate
Organizational Citizenship Behavior	Pearson correlation	1.000	0.621
	Sig. (2-tailed)	.	.000
	N	350	350
Workplace Ethical Climate	Pearson correlation	0.621	1.000
	Sig. (2-tailed)	.000	.
	N	390	390

Employees' OCB and the ethical climate of the workplace are strongly positively and significantly correlated, according to the correlation coefficient ($r = 0.621$, $p < 0.01$). Beyond their official responsibilities, employees are more likely to take part in discretionary actions that benefit the company when they perceive a morally upright and helpful work environment.

Discussion of Findings

The study's conclusions show a strong and favorable correlation between the ethical climate of the workplace and aspects of employee engagement in Rivers State's oil servicing companies. Below is a discussion of each hypothesis in light of the literature.

The first hypothesis examined whether employees' emotional commitment is significantly impacted by the ethical climate of the workplace. Employees who believe their company is ethical are more emotionally invested and dedicated to it, according to the results, which showed a strong positive correlation ($r = 0.682$, $p < 0.01$). This result is consistent with earlier studies that show that morally upright and caring environments promote justice, trust, and a feeling of community, all of which improve affective attachment (Al Halbusi et al., 2022; Adeyemi & Ibekwe, 2024). In the case of Rivers State oil servicing companies, the outcome emphasizes that when workers believe that moral behavior is genuine and regularly upheld, they are more inclined to put forth effort and stick with it.

The second hypothesis investigated the connection between job satisfaction and the ethical climate of the workplace. Employee satisfaction with roles, supervision, and policies is higher

in companies with strong ethical cultures, according to the analysis, which revealed a moderate to strong positive correlation (r = 0.594, p < 0.01). This confirms previous findings that fair and transparent organizational practices improve positive attitudes toward work and decrease dissatisfaction (Demirtas et al., 2021; Kang & Park, 2023). The outcome emphasizes how crucial moral guidelines, open communication, and equity are to retaining contented and driven workers in demanding work settings.

The third hypothesis evaluated how the ethical climate at work affected OCB. Employees who perceive a principled and benevolent ethical climate are more likely to engage in discretionary behaviors that benefit the organization, according to a strong positive correlation (r = 0.621, p < 0.01). This is in line with research demonstrating that moral workplace cultures inspire workers to go above and beyond the call of duty, participate in altruistic activities, and demonstrate organizational loyalty (Mayer et al., 2021; Nwankwo & Samuel, 2023). According to this research, creating an ethical environment benefits Rivers State's oil servicing companies by increasing teamwork and streamlining operations in addition to encouraging engagement.

These results demonstrate that an important factor influencing employee engagement in oil servicing companies is the ethical climate of the workplace. When organizational practices are seen as moral, just, and principled, employees are more dedicated, content, and eager to contribute outside of their designated roles. The findings are especially pertinent to high-risk industries like oil servicing, where operational success depends on employee motivation, adherence to safety procedures, and discretionary effort.

Conclusion

This study looked at the connection between employee engagement and the ethical climate at work in Rivers State's oil servicing companies. The results show that all three engagement dimensions—emotional commitment, job satisfaction, and organizational citizenship behavior (OCB)—are significantly and favorably impacted by ethical climate. Workers are more emotionally invested, content with their jobs, and inclined to take on discretionary actions that further company goals when they believe their company is moral, just, and charitable. According to the findings, developing a strong ethical climate is strategically important for improving employee motivation, performance, and organizational effectiveness in resource-intensive and high-risk sectors like oil servicing.

Recommendations

Based on the study's findings, the following recommendations are proposed:

1. By instituting open decision-making procedures, uniform application of moral standards, and acknowledgment of morally admirable conduct, oil servicing companies can improve their ethical climate.

2. Companies should create and put into effect ethical standards that prioritize accountability, equity, and justice.

3. Businesses should promote a morally upright and charitable environment that rewards discretion.

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