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Employee Resourcing and Performance of Selected Oil and Gas Companies in Rivers State of Nigeria

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ABSTRACT

The stiff competition in the prices of oil and gas in the global market has prompted the oil and gas companies in Rivers State to lookout for ways to keep their companies on top and afloat. The profitability and investment of these companies seem not to have increased significantly. This necessitated the study to determine how employee resourcing relates to performance of selected oil and gas companies in Rivers state. The study specifically seeks to ascertain how team deployment relates to service sustainability. The research question and hypothesis were formulated in line with the specific objective. Correlation survey research was utilized. Sample size of 400 was determined from the population of 2,395. Pearson Product Moment Correlation was used for hypothesis testing. The result found out that there is a significant positive relationship between team deployment and service sustainability of these oil and gas companies in Rivers State. The findings show that unbiased team deployment strategy can help to sustain service delivery in the oil and gas companies. The study concludes that an adhoc and largely reactive approach to employee resourcing prevails within the industry in Rivers State. The study recommended that oil and gas companies in Rivers State should embrace employee resourcing in a strategic manner to acquire and maintain high quality employees that will enable them improve their performance.

Key words: Employee Resourcing, Performance, Team Deployment, Service Sustainability.

INTRODUCTION

Oil and Gas Sector forms the pillar of Nigerian economy and have been playing a crucial part in her economic and social development. Since the industry has been driving the economic growth, but in the past years, the sector has witnessed a sluggish growth. Further the profitability and investment of this industry have not increased significantly and flourishing of new businesses in the sector has been on the decline. The main reason for such a state of affairs of Nigerian oil and gas industry is attributed to reduction in oil prices and destruction of pipelines by the militants in the Niger Delta.

The ever-shifting business environment presents oil and gas companies in Rivers State a complex challenge on how to meet current staffing needs while preparing for strategic future needs. Addressing this challenge falls on the human resources departments in these companies. Employee resourcing, a method of addressing this challenge, includes a set of interrelated activities that focuses on the recruitment and proper deployment of staff (Raiden, Dainty & Neale, 2008).

As competition intensifies globally in the oil and gas sector, the oil and gas companies in Rivers State are always on the lookout for strategies to keep their companies on top and afloat. This is the reason employees are hired. They are brought into the organization to help navigate it through the turbulent and discontinuous environment and are expected to keep bringing up new and innovative ideas to that regards. This assertion is corroborated by Chandler (2002), who states that Chief Executive officers and employees are typically not employed to manage the decline of a firm but to develop strategies that ensure continued success.

Deployment represents a key factor in successful employee resourcing (Raiden et al, 2008). Efficient deployment requires that the HR department should manage both the professional skills and personal elements of employees. For example, an employee's skill set makes him a perfect fit for a position in another part of the country,

if that employee maintains deep roots in the local community, however, an unwarranted transfer might lead to lost productivity, costing the business more than hiring another person to fill the position.

Given the multi-disciplinarity and temporality of project teams in oil and gas firms, strategic project team deployment represents a complex and problematic task for these companies while the increasing use of outsourcing and subcontracting has reduced directly employed HR requirements, it has made project management in oil companies more complex, with a resultant requirement for a more precise matching of management skills and competencies to project requirements (Loosemore, Dainty & Lingard, 2003).

In the oil and gas sector, managers attempt to achieve the best technical/financial business outcomes through their deployment decisions (De Feis, 1987).

Consequently current project HR allocation decisions tend to be reactive rather than founded on the longer-term reconciliation of project, employee and organizational needs. This aforementioned issue in the oil and gas sector in Rivers State prompted this study.

Given the multi-disciplinarity and temporality of project teams in oil and gas firms in Rivers State, team deployment represents a complex and problematic task. While the increasing use of outsourcing and subcontracting has reduced directly employed HR requirements, it has made employee resourcing complex, with a resultant requirement for a more precise matching of skills and competencies in the oil and gas workers. Also coupled with the stiff competition in the prices of oil and gas in the global market, the oil and gas companies in Rivers State of Nigeria are always on the lookout for ways to keep their organizations on top and afloat. The profitability and investment of these oil and gas firms seem not to have increased significantly. This seems to have attributed to destruction of pipelines in the Niger Delta, fall in oil prices and poor employee resourcing to withstand the current trend in the industry.

In line with the aforementioned problem in the oil and gas sector, the study seeks to identify how employee resourcing relates to performance of selected oil and gas companies in Rivers State of Nigeria.

The broad objective of the study is to identify how employee resourcing relates to performance of oil and gas companies in Rivers State. The study specifically seeks to ascertain the type of relationship that exists between team deployment and service sustainability in selected oil and gas companies in Rivers State.

Research Question

1. How does team deployment relates to service sustainability in selected oil and gas companies in Rivers State?

Hypothesis

H_{a1}: There is a significant positive relationship between team deployment and service sustainability in selected oil gas companies in Rivers State.

REVIEW OF RELATED LITERATURE

Conceptual Review

Employee Resourcing

Employee resourcing is part of HRM that focuses on the recruitment and release of individuals from organizations, as well as the management of their performance and potential while employed by the organization (Pilbeam & Corbridge, 2002). Employee resourcing strategies exist to provide the people and skills required to support the business strategy; it is concerned with any means available to meet the needs of the firm for certain skills and behaviour (Armstrong, 2010).

Employee resourcing holds the key to success of any organization since it ensures that the right person fit to do the job is acquired in the organization (Kavoo-Linge & Kiruri, 2013). It is concerned with the procedures of obtaining and retaining a workforce with the necessary skills, competences, training, attitudes, knowledge, ethics and values (Karemu Grace, Gikera Kahara & Josee Veronese Marie, 2014). This is because the organization only hires and retains the right manpower in order to increase its performance (Majumber, 2012 & John, 2008). Abomeh (2013) contends that if clear resourcing procedure is followed based on practices then the organization is bound to outperform other businesses in the industry.

The core activities of employee resourcing (ER) include human resource planning (HRP) and moving towards recruitment, selection and induction, performance management, learning and development, as well as

recognition and reward. It is significantly about aligning the employees with the strategic and operational needs of the organization and ensuring full utilization of the resources.

Ogunyomi and Ojikutu (2014) define employee resourcing as the systematic process of realizing the need to plan for people (HRP), acquiring them through recruitment and selection (R&S) retaining through membership motivation (M) and putting them to the most effective use through employee motivation to higher productivity in order to help the organization achieve its goals.

Armstrong (2001) posits that employee resourcing answers two fundamental questions:

What caliber of people do we need now and in the foreseeable future in order to strategically position our organization?

What can we do to attract, develop, motivate and retain them when we need them most?

Employee Resourcing Strategies

Ngui, Elegwa and Hazel (2014) outline three actions an organization can take to fulfil their employee resourcing. The actions/strategies are;

Reallocate tasks between employees, so that existing staff take on more or different work.

To re-allocate people within the organization.

To recruit new staff from the external job market.

The emphasis is on flexible working practices, requiring multi-skilled workers and sophisticated assessment and development programmes.

Team Deployment

Team deployment resides at the centre of resourcing process for the project-based organizations as it determines the success of the project, which in turn determines the competitiveness of the organization.

Druker and White (1996), Walker (1996) and Goldbery (2003) identify teamwork as key to competitive advantage, a powerful motivator and the foundation for a cooperative working culture. "Availability" is the predominant factor determining the allocation of staff to a project. This is followed by other variables that focus on meeting the organizational/product requirements; the potential team members' experience and client preferences. As well as selecting the key personnel to head a project, it was considered crucial to ensure a balance between the team members' strengths and weaknesses and their willingness to work together for a common aim.

Service Sustainability

Sustainable services are offerings that satisfy customer needs and significantly improve the social and environmental along the whole life cycle in comparison to conventional and competing offers (Belz, Peattie; Frank-Martin and Ken, 2009). This service is environmentally favourable when the total amount of environmental impact perceived as compared to an alternative is larger than the amount of environmental impact generated by the service.

Sustainable services own a certain set of characteristics, which clearly distinguishes them from regular services (Belz et al, 2009). The factors which are also can be found in oil and gas industries are;

Customer satisfaction; sustainable services must satisfy customers' needs or otherwise will become redundant and economically irrelevant.

Dual focus; for labeling a service as sustainable it is required to address and fulfill both ecological and social issues.

Life cycle orientation; services function as customer solutions.

Significant improvement; sustainable services need to make a significant long-term contribution on a broad social and ecological scope. This means the benefits created should preferably be measurable and take place on a global rather than on a local level.

Continuous improvement; this means that sustainable services can never be assessed in absolute ways due to their changing environment. Only if these services continuously improve as over time technologies improve, knowledge expands and normative influence changes, they can be considered sustainable services.

Competing offer; it must see and define itself always using similar offers as a benchmark and try to keep up these offers in order to keep customers attention and satisfaction secured.

Other service sustainability indicators include:

- Organizational Profile, Strategy, Report and Governance
- Economic Performance Indicators
- Environmental Performance Indicators
- Healthy and Safety Indicators
- Social Responsibility Performance Indicators

Theoretical Framework

The study is anchored on Resource Based Theory propounded by Barney in 1991. Barney (1991) argued that resources lead to sustainable competitive advantage when they are valuable, rare, inimitable, and non-substitutable. Resources such as technology, natural resources, finances and economies of scale can create value and this source of value are available to all and easy to copy, compared to complex social systems like human resources. The genesis of this theory can be traced back to Selznick (1957), who suggested that work organizations possess distinctive competence that enables them to outperform their competitors and to Penrose (1959) who conceptualized the firm as a collection of productive resources. The sum of people's knowledge, skills, abilities and expertise has the potential to provide non-substitutable capabilities that serve as a source of competitive advantage.

The Resource-Based Theory provides the rationale for understanding the type of relationship that exists between employee resourcing and performance of oil companies in Rivers State. The maintains that the service sustainability of an oil company in Rivers State depends upon the resources that not only differentiate it from its competitors, but are also durable and difficult to imitate and substitute. These resources can be acquired by proper team deployment to the project of these oil companies.

Empirical Review

Ngui et al (2014) carried out a study on effect of employee resourcing strategies on the performance of commercial banks in Kenya. The study adopted a triangulation method and it was established that banks are currently emphasizing on the recruitment of people with high academic qualifications. The findings showed that there is a positive relationship between strategic employee resourcing and employee performance among commercial banks in Kenya

Raiden et al (2008) conducted a study on employee resourcing in construction organizations and qualitative approach was used. The study revealed a weak relationship between the deployment process and human resource planning, team deployment, performance management, employee involvement and training and development activities.

Ali and Nur (2015) adopted a theoretical approach to carry out a study on the role of recruitment and selection on the role of recruitment and selection practices in the organizational performance of Iraqi oil and gas sector. The study found out there was a strong relationship between recruitment and selection and firm performance of oil and gas sector in Iraq.

Kembol and Onyango (2015) did a study on employee resourcing and development practices on organization performance in Rachuongo South Sub-country. The study adopted structured questionnaire to collect data from the 270 stratified sample of respondents. The study found employee resourcing to correlate with organizational performance.

Raiden and Ani (2004) studied the development of a strategic employee resourcing framework (SERF) for construction organizations. A case study approach was adopted for the research, supported by a range of qualitative and quantitative data sets. The results show that although the intention with regard to resourcing was clearly positive, managerial practices did not effectively deliver the strategic intent at a project level.

Oluwafemi (2015) conducted a study on employee resourcing and organizational performance in Somolu Local Government. The study adopted a survey research design with the aid of a triangulation approach. The findings revealed that employee resourcing strategies have influence on organizational performance.

Paul and Rasheed (2014) studied employee resourcing and performance of SME's in Lagos State, Nigeria. The study adopted survey research design and correlational analysis was used. The study revealed that there is mild association between employee resourcing and organizational performance.

Andrew, Ani and Richard (2009) studied on incorporating employee resourcing requirements into deployment decision making. A case study approach was adopted. The study found that team deployment resides at the centre of resourcing process for the project-based organization as is determines the success of the project, which in turn determines the sustainability of the organization.

Christopher and Okwi (2011) carried out a research on human capital resourcing practices and performance in selected organizations in Lagos State of Nigeria. Correlational statistical technique was used for hypothesis testing. The study reviewed that there is a positive relationship human capital resourcing and organizational performance.

SUMMARY OF REVIEWED LITERATURE

The findings of these studies are mixed. Paul and Rasheed (2014) found that although there is mild association between employee resourcing and performance, it is not strong enough to predict performance. The study of Ngui and Hazel (2014) revealed that employee resourcing strategies have a significant positive relationship with performance. Oluwafemi (2015) is of the view that employee resourcing should be to acquire, retain and to motivate employees with the right skills, knowledge and abilities. In fact ninety nine percent (99%) of the studies reviewed found out a significant positive relationship between employee resourcing and performance but none of the studies focused on team deployment and service sustainability of oil and gas industry in Nigeria. The study bridged this research lacuna.

DATA ANALYSIS

The study adopted correlational survey design. This is best appropriate for the study because it ascertained the type of relationship that exists between the dependent variable which is performance and the independent variable; employee resourcing.

The study Population consists of one thousand and fifty three members of staff. This study population was drawn from the total population of oil and gas companies operating in Rivers State.

Table 1: Total Population of Oil and Gas Companies Operating in Rivers State

S/N	Company Name	No. of Staff
1	Shell Petroleum Development Company of Nigeria (SPDC)	1638
2	Total E and P Nigeria Limited (TEPNG)	1164
3	Nigeria Liquefied National Gas Limited (NLNG)	1342
4	Nigeria Agip Oil Company (NAOC)	1053
5	Mobil Producing Nigeria Unlimited (MPN)	1840
6	Chevron Nigeria Limited (CNL)	2410
7	Addax Petroleum Nigeria	177
8	Nigeria Agip Energy and Natural Resources (NAE)	41
9	South Atlantic Petroleum (SAPETRO)	45
10	Statoil Nigeria Limited (SNL)	17
11	Sterling Oil Exploration and Energy Production Company Limited	81
12	Petroleum Brasileiro Nigeria Limited (PETROBRAS)	29
	Total	9837

Source: Field Survey, 2016

Table 2: Study Population

S/N	Company Name	No. of Staff
1	Nigeria Liquefied Natural Gas Limited (NLNG)	1342
2	Nigeria Agip Oil Company	1053
	Total	2395

Source: Field Survey, 2016

The sample size was determined using Taro Yamane and table of random numbers (probabilistic sampling) was the technique used to draw the sample.

The computation of the sample size is given below;

$$n = \frac{N}{1 + N(e)^2}$$

Where n = sample size

N = Population size
e = error limit (0.05)

$$n = \frac{2395}{1 + 2395 (0.05)^2} = \frac{2395}{5.9875} = 400$$

Bowley’s allocation formula was used to determine the copies of questionnaire to be distributed to each company. The computation is shown below:

$$N_h = n (n_h)/N$$

Where N_h = number of units to be distributed to each group
 n_h = Number of respondents in each group
 n = total sample
 N = total population

NLNG

$$N_h = 400 (1342)/2395 = 224$$

AGIP OIL COMPANY

$$400 (1053)/2395 = 176$$

After sample size determination four hundred copies of questionnaire were distributed to the employees in the oil companies and 278 respondents returned their questionnaire. This shows 76% response rate.

The study made use of a structured questionnaire in collecting relevant and pertinent data for the study. It was styled in a 5-point likert scale ranging from Strongly Agree (5) Agree (4), Strongly Disagree (3), Disagree (2) and Undecided (1). The questionnaire was distributed with the help of research assistants drawn from tertiary institutions in Rivers State.

Face, content and construct validities were used to ascertain how well the research instrument measured what it intends to measure. To actualize this, copies of the instrument were given to validators mostly from educational foundation of a tertiary institution in Rivers State. The items in the questionnaire were properly aligned with the objective and research question. The language in the instrument was drafted in a clear and simple manner.

To ascertain the level of consistency of the research instrument, the study employed Spearman-Brown Split Half Reliability Technique and statistical package for social sciences version 2.0 was used for the test. The coefficient was .924 and the computation is shown in table 3.

Table 3: Reliability Table

Cronbech’s Alpha	Part 1	Value	.875
		No. of items	5 ^a
	Part 2	Value	.84
		No. of items	5 ^b
	Total number of items		10
Correlation between firms			.859
Spearman-Brown Equal Length Coefficient			.924
Spearman-Brown Unequal Length Coefficient			.924
Guttman Split-Half Coefficient			.884

Source: Field Survey, 2016.

Computation: SPSS version 20

$$r_{SB} = \frac{2r_{hh}}{1+r_{hh}}$$

Where r_{hh}=Pearson Correlation of scores in the two half tests

$$r_{SB} = \frac{2 \times 0.859}{1+0.859}$$

$$r_{SB} = 0.9242$$

The study adopted split-half reliability test.

DATA PRESENTATION AND ANALYSIS

Table 4.1.2: Data Presentation

S/N	QUESTIONNAIRE ITEMS	SA	A	SD	D	UN	X
	How does team deployment relate to service sustainability in selected oil and gas companies in River State. TD (Team Deployment)	5	4	3	2	1	
1	The method of deployment in my company is unbiased.	62	78	65	70	32	3.45
2	I give my best when deployed to work in a team.	75	67	60	72	42	3.49
3	We achieve our objective when deployed to work as a team.	97	85	41	48	7	3.78
4	I enjoy working as a team than working as an individual.	53	84	62	69	10	3.36
5	My company deploys workers to work in a team on regular basis.	72	79	63	50	14	3.52
	Service Sustainability.						
6	My service in the company as a member of a team proffers solutions, to customer's problem.	62	71	86	54	5	3.47
7	Our service as a team makes a significant long term contribution on a broad social and ecological scope.	76	82	67	40	13	3.60
8	Our service as a team improves as over time technologies improve.	65	92	62	58	1	3.58
9	Healthy and safety conditions are sustained in my workplace.	54	48	94	76	6	3.24
10	Our innovations are sustained as a team by the management.	92	104	30	47	5	3.83

Source: Field survey, 2016

All the items in the instrument are valid and accepted as their mean scores are within 3 points and above. The table shows the mean score and the standard deviation of the questionnaire items which is in accordance with the research questions stated in the study. The decision rule is to accept any item that falls within the mean of 2.5 points and above as significant.

Test of Hypothesis

Ha: There is a significant positive relationship between team deployment and service sustainability of selected oil and gas companies in Rivers State.

Table 4: Correlation result

		Team Deployment	Service Sustainability
Team Deployment	Pearson Correlation sig (2-tailed) N	1 278	.969 .000 278
Service Sustainability	Pearson Correlation sig (2-tailed) N	.969 .000 278	1 278

** Correlation is significant at 0.01 (2-tailed)
Source: SPSS ver. 22

DISCUSSION OF FINDINGS

Findings of the study have revealed that there is a significant positive relationship between employee resourcing and performance of selected oil and gas companies in Rivers State. This supports the works of Kembol & Onyango (2015), Oluwafemi (2015), Andrew, Ani & Richard (2009), Paul & Rasheed (2014), Christopher & Okwi (2011), Raiden et al (2008). These works showed that there is a strong positive relationship between employee resourcing and performance of organizations.

Table 4 shows that P-value (0.000) < 0.01 (at a 2-tailed test). This reveals that the result is statistically significant at 5% confidence level. The r value 0.969 (97%) shows that there is a significant positive relationship between employee resourcing and performance of selected oil and gas industry in Rivers State.

CONCLUSION

An adhoc and largely reactive approach to employee resourcing prevails within the oil and gas companies in Rivers State. This leads to a tendency among HRM specialists to view resourcing as reactive rather proactive process that involves strategic planning. Similarly team deployment was managed on adhoc basis and this has not improved service sustainability in these oil companies. The function of HR appears peripheral to the resourcing function. Hence it was difficult to provide strategic input to the decision making process.

RECOMMENDATIONS

Based on the findings the following were recommended:

1. There is need for the oil and gas companies in Rivers State to integrate the various resourcing components and align them with the objective of the company. This will make the employees to view resourcing as proactive process that will contribute to strategic planning.
2. The company should properly train their human resources department on the use of skills for team deployment or outsource this function to firms which specialize in team deployment. This will reduce bias and enhance service sustainability.

The oil companies should embrace strategic employee resourcing in order to acquire and maintain high quality employees that will enable them improve on their performance.

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