

HUMAN RESOURCES FLEXIBILITY AND PERFORMANCE OF OIL PRODUCING FIRMS IN RIVERS STATE, NIGERIA

Emoh Chinedu Stanislaus and Omoankhanlen J. Akhigbe

Department of Management,
Faculty of Management Sciences,
University of Port Harcourt,
Rivers State, Nigeria.

Abstract

This work critically investigated how human resource flexibility (HRF) relates with the performance of oil producing firms. Cross sectional survey was employed in this inquiry. A total population of one thousand two-hundred and ninety-three (1,293) employees from managerial echelon was covered in the study. A sample size of 305 was derived from the population. Systematic sampling technique was applied. Questionnaire was utilized in gathering relevant data. The Pearson Product Moment Correlation was used in analyzing the bivariate hypotheses and the partial correlation was employed in testing the moderating influence of organizational culture. The outcome shows that the dimensions of human resource flexibility (skill flexibility and behaviour flexibility) relates significantly with innovativeness and product quality. Organizational culture significantly moderates the correlation amongst both variables. It was concluded that the extent at which an establishment is able to enhance the skill and behaviour flexibility of their employees will influence the performance of the firms. Consequently, the study recommended that oil producing firms should make certain that their employees are well trained and developed in order to acquire divers skills relevant in enhancing the performance of the organization.

Keywords: *Behaviour Flexibility, Competitiveness, Organizational Culture, Product Quality, Skill Flexibility.*

1.0 Introduction

The issue of performance often called organizational performance which is same with firm performance of the oil producing firms has become more critical in recent times due to the high rate of dynamism of the business world coupled with the unprecedented influence of the international market. As such, enhancing and sustaining high level of performance has become a dare need for organizations that must survive the turbulent moment. Ensuring high performance of organizations is ultimate and paramount to the survival and continuity of any firm, the absence of which lands the firm in a state of jeopardy. Organizational performance is seen as a bedrock that helps sustain a firm in a hostile environment. In alignment with the above assertion, Gavrea, Ilies and Stegorean (2011) opined that continuous performance is the focus of any firm because it is only through performance that organizations are able to grow and maintain competitiveness.

Over the years, performance of a firm is where the focus of management and shareholders are more often than none placed upon. Essentially, the investors are fundamentally looking forward to returns on their investments. The management of the firm is at the same time striving to deliver returns to shareholders. In striving to achieve better firm performance, certain activities and efforts are put in place for success to be attained in product quality and operational efficiency. The performance of a firm is what every stakeholder of the firm would always look forward to. Organizational performance is usually the topmost priority of the managers of organizations because they have to stand up to the confident the owners have reposed on them. According to Mahapatro (2013), organizational performance is the capability of a firm to accomplish its objectives and goals with the help of good governance and talented administration. Organizational performance is a sign which deals with how well a firm accomplish its goals. In an attempt to measure firm's performance, several scholars have proffered different measures such as customer satisfaction, product quality, employee satisfaction, organizational reputation, customer loyalty, competitive advantage, perceived image, capacity utilization, employee morale, operational efficiency, product innovations, inventory turnover and timeliness (Richard, Devinney, & Yip, 2009). Considering the various dynamism of the environment that could possibly affect firms' performance, it is thus imperative that organizations ensure the flexibility in their human resources in order to easily adapt to any environmental changes and to keep the firms abreast.

Human resource of an organization has over time been recognized as the paramount and indisputable asset of any firm that must strive favourably in an ever turbulent business world. Beltran – Martin, Roca-Puig, Escrig, Tena and Bou-Llusar (2008) pointed out that human resource flexibility (HRF) is of high importance to organizations that operate in an unpredictable and unprecedented environment. The imponderable nature of the business domain has informed a paradigm shift towards having a capable and flexible human resource in the organization. In alignment with the above assertion, Pradhan and Kumari (2017) maintained that human resource flexibility (HRF) of an organization has positively enhanced the performance and total productivity enhanced the performance and total productivity of individuals and entire

organization. Wright and Boswell (2002) remarked that HRF is a valuable and essential organizational capability. The authors asserted that organizations with human resource (HR) flexibility systems, adapt easily to market needs.

Sanchez (1995), as cited in Pradhan and Kumari (2017), opined that employees with HR flexibility are able to compete more favourably and boost the performance of any establishment. Bhattacharya, Gibson and Doty (2005) noted that HRF does significantly relate with financial performance of organization. The tripartite dimensions of HRF include skill flexibility of employee, behaviour flexibility and human resource practice flexibility. Kumara and Pradhan (2014) argued that HRF helps in boosting the competitiveness of a firm and it also helps in achieving superior performance. Bhattacharya, Gibson and Doty (2005) posited that the resource base view of HR flexibility refers to valuable specific capability of an organization that induces organizational effectiveness and high competitive advantage. Within the scope of the management of human resources, researchers have argued that human resources flexibility helps firms to adapt easily to environmental changes or dynamism (Ketkar & Sett, 2009; Camps, Oltra, Aldas – Manzano, Buenaventura-Vera & Torres-Carballo, 2015). Considering the paramount role of the oil producing firms in Nigeria economy, many scholars have examined how to enhance the performance of these firms using various construct. Echaobari, Victor & Ihunda, (2018) examined how the performance of employees in oil producing firms in Port Harcourt can be enhanced via collaboration strategy. They observed a significant positive correlation between collaboration strategy and employee performance. Akinyele (2010) investigated how performance of oil and gas industry can be improved from the standpoint of strategic marketing. The finding revealed a noteworthy correlation among the variables. Nangih (2017) critically investigated how performance of oil and gas servicing companies in Nigeria can improve via safety practices. The study indicated that safety practices are relevant in boosting the performance of oil and gas firms. Kago, Gichunge and Baimwera (2018) examined if competitive strategy enhances petroleum company's performance in Kenya. The study revealed that the various competitive strategy of the firm increases their performance. Pemela, Umoh and Worlu (2017) further examined if human resource planning relates with the performance of oil and gas companies in Port Harcourt. They observed a positive correlation between the variable. From the foregoing, despite the several scholarly researches, there is still a dearth of research within the Nigeria work environment that has examined low flexibility in the human resources as it relates with the performance of the oil producing firms in Rivers State. It is this observed gap in literature that has informed this study. This empirical investigation differs from that of previous scholars because it addresses the issue of the performance of oil producing firms from the standpoint of human resource flexibility.

Statement of the Problem

The oil and gas sector has over the past years been renowned as the energetic and productive sector in the Nigerian economy. This sector has been the main source of revenue in the Nigerian economy. However, this sector performance vis-à-vis oil producing companies in Nigeria has

been drastically affected by various variables ranging from internal factors to the external factors. The existence of high competitiveness in the international market coupled with various unpredictable factors has negatively affected the oil and gas establishment in recent times. The problem with poor organizational performance of the oil producing firms in Nigeria have manifested through the reduction of its contributions to the Gross Domestic Product (GDP) of the economy. The poor performance of the oil producing firms has also weakened their ability to render corporate social responsibility to host communities and this has also intensified social vices and community unrest. Considering the essential role of these firms to the Nigerian economy, many researchers have proffered various means to enhance its performance (Obara & Nangih, 2017; Nwaiwu & Oluka, 2018; Etale & Otuya, 2018; Ebire, Mukhtar & Onmonya, 2018).

Arising from the problem above, this study is to ascertain the influence a firm's human resources flexibility has on its performance. What is the pattern or nature of the nexus between firm's performance and its capability of putting forward strategies that are proactively flexible to contain challenges and changes that may arise in the course of business? Despite all attempts by scholars to ensure consistent high performance of the oil producing firms, the problem of fluctuating performance still persists. It is on this note that this study seeks to examine how HRF in terms of skill flexibility, behaviour flexibility and human resource practice flexibility relates with performance of oil producing firms in Nigeria.

Objectives of the Study

This study's objectives are to investigate the relationship between;

- I. Skill flexibility and performance of oil producing firms in Rivers state, Nigeria.
- II. Behaviour flexibility and performance of oil producing firms in Rivers state, Nigeria.
- III. To examine if culture of firms significantly moderates the correlation between HRF and performance of oil producing firms in Rivers state, Nigeria.

Research Questions

The research questions below served as a guide in this study;

- I. What is the relationship between skill flexibility and performance of oil producing firms in Rivers state, Nigeria?
- II. What is the relationship between behaviour flexibility and performance of oil producing firms in Rivers state, Nigeria?
- III. Does organizational culture significantly moderate the relationship between human resource flexibility and performance of oil producing firms in Rivers state, Nigeria.

Research Hypotheses

HO₁: There is no significant relationship between skill flexibility and innovativeness of oil producing firms in Rivers state, Nigeria.

HO₂: There is no significant relationship between skill flexibility and product quality of oil producing firms in Rivers state, Nigeria.

HO₃: There is no significant relationship between behaviour flexibility and innovativeness of oil producing firms in Rivers state, Nigeria.

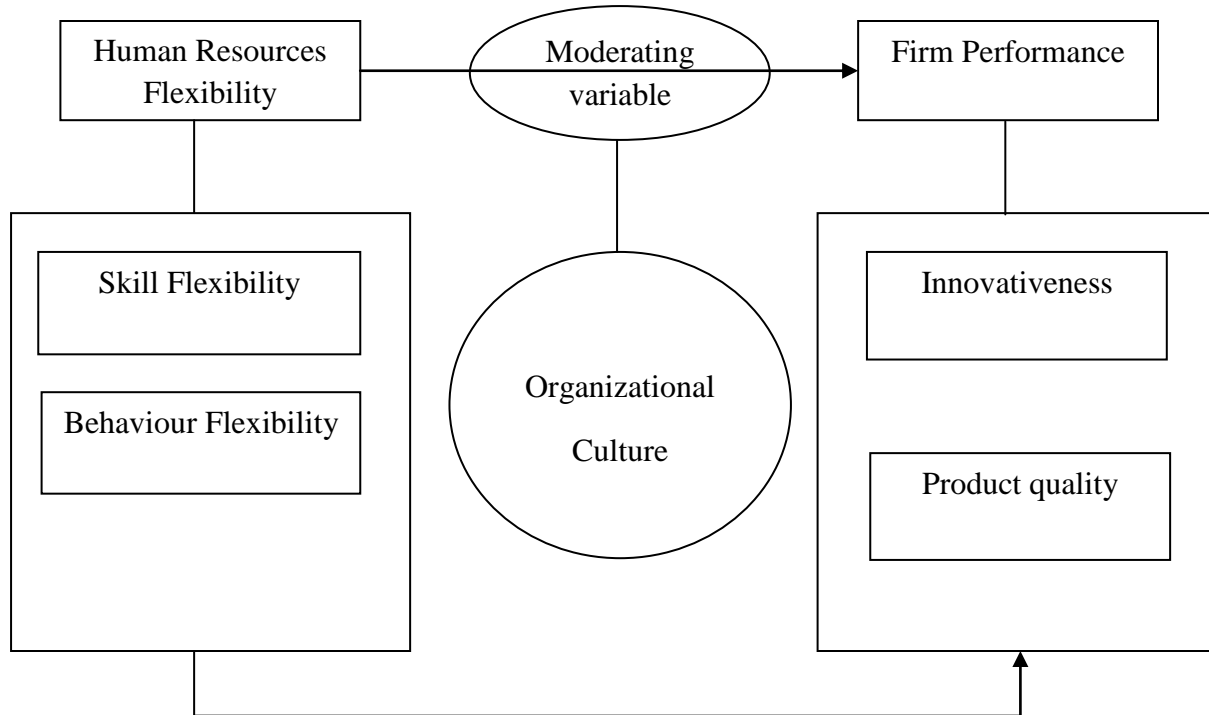
HO₄: There is no significant relationship between behaviour flexibility and product quality of oil producing firms in Rivers state, Nigeria.

HO₅: Organizational culture does not significantly moderate the relationship between human resource flexibility and performance of oil producing firms in Rivers state, Nigeria.

2.0 Review of Related Literature

This study is founded on the resource base theory. The theory stresses that company's resources are ultimate determinants of boosting competitiveness and performance. RBT is concerned with the idea that a firm's internal resources can become a direct source of sustained competitive advantage (SCA) for the firm. This is distinct from traditional notions of competitive advantage popularized first by Porter (1985) which stressed competitive advantage was attained for the firm through external means such as products, location or customer base. Sveiby (2000) draws the distinction that while traditional views of competitive advantage, such as Porter's, are product based, RBT is knowledge-based. The notion that a firm's human resources could be a source of SCA dates to 1984 (Fahy, 2000), although it seems not to have gained much momentum as a mainstream theory in the academic literature until a decade later. The resource base theory is of the opinion that the possession of resources which are rare, difficult to imitate, valuable and which cannot be substituted creates a competitive edge for an organization in the industry. This theory is relevant to this study because the extent to which a firm is able to optimally utilize its available resource will enhance their performance and give them competitive advantage over rivalries.

Research Model



Source: Conceptualized by the researcher.

Figure 1. A conceptual framework showing the link between human resource flexibility, firm performance and organizational culture.

Concept of Human Resource Flexibility (HRF)

HRF is concerned with the high skilled nature of workers as noted by the varying nature of their character domain, that is, their proficiency, behavior and ability to learn. As seen by Michie and Sheehan – Quinn (2001), HRF is the capability of employees to acclimatize to changing needs for expertise by training staff as they demand in their working lives. It shows the aptitude to improve, organize and mount up HR system in the organization's setup that will help manage proficiently the human resources as to compete in the face of environment changes and innovation. HRF is viewed by Snell, Youndt and Wright (1996) as the capability that permits an establishment to adjust to the varying possibilities in an environment. Beltran-Martin *et al.* (2008) in his research discovered that employees with favourable work flexible system portray inordinate involvement concerning organization which eventually increases the performance of the establishment. With HRS, the system of performance management not merely pay attention to present performance of the employees, but further determines ways to advance their capabilities, knowledge and skills in the future. This will motivate them for better behavior towards work and organization. There are 3 dimensions of HRF according to Wright and Snell

(1998). They are; behavior flexibility, human resource practice flexibility and employee skill flexibility.

Skill Flexibility

Skill flexibility is an association option that allows the abilities of workers to be utilized. Skill flexibility has twofold attributes which encompasses flexibility in resource and how persons with diverse skills can be speedily reorganized. Flexibility in resources in relations to individual competencies denotes the rate of workers' competencies that empower them to effectively adopt alternative technologies and perform alternate job-related activities (e.g., roles, tasks, jobs, etc.). Furthermore, skill flexibility shows how effectively and rapidly employees are using fresh skills which the firm gives them (Boxall, 1999). Largely, there are two basic ways to create skill flexibility. Firstly, organizations might have workers with set of extensive-based skills and are able to utilize them given diverse required conditions. Skills that are Broad-based are valued as they produce outcome for current requirements and also proficient in producing possible alternate requirements. Nevertheless, employees possessed skills which are presently not used may create new business opportunities for the establishment, and may impact strategic choices (Lengnick-Hall & Lengnick-Hall, 1988). Secondly, a firm could employ a broad variety of "specialist" workforces who offer flexibility by permitting the organization to reconfigure the skill profiles so as to meet varying needs. Neuman and Wright (1999) argued that with flexibility, the company may restructure its staffs (e.g., through project teams) to attain the anticipated skill profile suitable for the changed request if the necessity arises. So, a wide range of worker skills enhances flexibility.

Behaviour Flexibility

Behavioural flexibility deals with adjusting to novel or recent situation contradicting the repetitive conduct. It characterizes an adjustable attitude of workers as against frequent behaviors and the degree to which staff possess a wide range of behavioural characters which could be altered conferring to the specific-situation demands. Behavioral flexibility is characterized by observing variation in behaviour within individuals, whereas other forms of behavioral variation consider differences between individuals (either genetic variation or developmental plasticity) (Duckworth, 2009). Behavioural flexibility refers to the adaptive change in the behaviour of an animal, in response to changes in the external or internal environment. Ongoing behavior (which might include inactivity) is stopped or modified and new behaviour is initiated. Adaptive changes in behavior can vary by degree, ranging from changes that are little more than reflexes or tropic reactions (i.e., reflecting a change in environmental conditions but without the involvement of cognitive processes) to behavioral changes that are anticipatory of environmental changes. Flexibility in workers behavior differs from flexibility in skills because workers may be highly skilled, yet has dearth of behavioral motivation or drive to change. Also, such staffs may be vastly motivated yet lack the essential skills or expertise to make change decisions (MacDuffie, 1995). Workers flexibility in behavior is treasured because it permits the worker to

handle divers situations geared towards smoothing the enactment of change. Kotter and Heskett (1992) contended that companies that embrace the principle of flexibility in behaviour are more adaptable to volatile environment which thus help boost the effectiveness of the company in a positive manner.

Concept of Firms Performance

Organizational performance also known as firms' performance is an indicator stating the extent to which the company runs its business, and is an important measurement for estimating the success or possibility and survival of the company (Chan et al. 2017). The study considers both financial and operational performance which the view of Venkatraman and Ramanujam (1986), are the main determinants of the effectiveness of a company. While financial performance involves indicators such as sales growth, profitability and earnings per share, among others, operational performance relates to measures such as market share, the introduction of new products, product quality and value added in manufacturing, among others (Silva & Ferreira, 2017).

Didier (2002) states that the achievement of the goals given in the course of the orientation exercise of an enterprise is what is referred to as performance. He further noted that outcome alone does not define performance, but rather the comparison of such outcome to the predetermined objective. In contrast, his opinion differs from that of other authors as he considers the concept of performance as comparison of the result and the objective. However, his definition of objective is ambiguous as both objectives and outcomes are different most times from one field of activity to the other. On the other hand, Lebas (1995) describes performance as being future-oriented, which is designed to indicate uniqueness of individual organization and based on underlying model linking the products and components of the organization. He defines a "successful" business as one that will achieve the goals set by the management coalition, not necessarily one that achieved them. He therefore sees performance from the point of its dependence on capability and future. In his distinct view, Michel Lebas noted the difference between "a performance", "performance" and "being performant". "A performance" is subject generally to a calculated outcome, higher than previous results. "A performance" thus indicates a progressive implication. "Performance" can be both positive and negative and relates to past results. Whooley (1996) sees performance as a social construct reality that exists only in the mind of people rather than an objective reality that can be stated and evaluated. According to him, it includes, products, components, impact consequences and have a relationship with effectiveness, efficiency, cost effectiveness, equity and economy. The two scholars viewed performance from the point of subjective and interpretative and not in relation to lines of cost which focuses on the ambiguity of the concept of performance. For Rolstadas (1998), organizational performance involves key performance criteria which include effectiveness, quality, efficiency, quality of work, productivity, innovation and more importantly, profitability. These criteria must be strictly followed in order to have an understanding of what performance is all about. The achievement of the aforementioned criteria is what he regarded as performance.

He further stated that there cannot be an exact definition of performance as it is subject to the seven list criteria that cannot be defined in clear terms.

In the research of performance in business, Folan (2007) posit that there are three priorities in the definition of performance: Firstly, he noted that the analysis of performance should be carried out by individual entity within the limits of its operational environment. For instance, the performance of a company should be analysed in the markets of its operations and not those outside the reach of its operations. Secondly, the performance is always connected to either one or more than one objectives predetermined by the entity whose performance is being analysed. It is therefore important that the performance of an entity is measured against the predetermined objectives and targets set by the internal body rather than those of the external bodies. Thirdly, performance is limited to the germane and features recognized by the organization.

Innovativeness

Innovation is the capacity to create or advance new ideas. Drucker (1954) noted that there is only one acceptable definition of business purpose to wit: to create a customer, and that business enterprise has only two basic functions which is marketing and innovation. Innovation and innovativeness utilize assets and proficiencies (knowledge and skills in technical and management systems) within the organization and along with the process of innovation to create new product or service to the market of which its success will bring great value to the organization. The innovative process is market and customer driven, i.e. is driven by the requirements of the customers and the market at large and as a result of competition among the different market players in the face of technological evolution (AADner & Lavinthan, 2001).

Product innovativeness from the customer's perspective, as "uniqueness or novelty of the product to the market," and examined its impact on cycle time in small manufacturing firms. They find that product innovativeness prolongs cycle time. By product innovation we refer to a product which is new, at least in some respects, for the market into which it is introduced. Booz, Allen, and Hamilton (1982) developed a classification of new products based on their innovativeness. It categorizes new products along two dimensions of newness: newness to the developing firm and newness to the market. New-to-world innovations are new to both the firm and the market. Product modifications replace existing products with only minor changes, and are not new to either firm or customers. Between these two extremes are line extensions (which are new to the market but not to the firm) and me-too products (which are new to the firm but not the market). Product innovations are represented by the new products or services introduced to meet the needs of the market. Such innovations are reflected in new products or services on the market to the benefit of customers.

Innovation is defined as implementation of a new production or delivery method or significant improvement in offered value perceived by end user. Innovation process involves significant changes in technique, equipment, or software (OECD, 2005). Innovation is a process that is

designed and managed to create value and comes out in the form of services, products, processes, technologies, and business systems (Edwards, Kum, & Ranjan, 2002).

Cooper and de Brentani (1991) examined new business-to-business financial services offered by banks, investment brokers, and insurance companies. They grouped the innovativeness items they measured into “synergy” (fit of service with the firm’s resources and capabilities), “newness to the firm” (of customers, service delivery, technology, competitors, etc.), and “innovativeness of service product” (how new the service is relative to existing services).

A product is a result of the mixture of one or several ingredients, attributes, benefits, features, advantages, functionality, performance, user experience, business model and consumption experience, therefore the manifestation of innovation in product is referred as production innovation. The importance of product innovation cannot be overemphasized as it is required by firms to cope with the pressure of competition, changing customer tastes, changing consumer preferences, product life cycle, advancement in technology, changing pattern of demands and consumer specialized requirements.

Product Quality

The definition of product quality has been categorized into product excellence, product value for money, product conformity to requirements and also meeting or exceeding customers’ expectations (Reeves & Bednar, 1994). Quality is defined as a zero error rate, i.e. the ability to produce a perfect product on the first try (Parasuraman et al., 1985).

The measurement of quality is complex because there is no universal definition of quality. For quality to be evaluated, there must be clear definition, in the same vein, there are other measures designed using other approaches as posited by Sebastianelli and Tamini (2002) which include transcendent measures, user-based measures, product based measures, manufacturing based measures and value based measures. The quality of a product is the features of the product complemented with dimensions of a product which include; performance conformance, features, durability, reliability, aesthetics, serviceability and the perceived quality by customer. If the perceived product quality is in line with the expectation, then the customer will perceive the product quality as a good quality and also feel satisfied. Conversely, if the perceived product quality is not as expected, then the quality of the product as the customer perceived is qualified as a bad product quality.

Organizational Culture

There is no universally agreed upon definition of culture. However, scholars of anthropology and other behavioral sciences have put up robust descriptions and definitions of this multi-layered construct called culture. In other words, the culture shows how things are carried out within the company (Tomic, Evers, & Brouwers, 2004). It is worthy of note that though

organizational culture reside in the mind of the members of the organization, the manifestation is in tangible form such as behavior all over the organization (Detert, Schroeder & Mauriel, 2000). Deal (2005) viewed organizational culture as “the epicenter of change”. Organizational culture has also been viewed as the “normative glue” which holds an organization together. Organizational culture can be diagnosed by observing the behaviour of people at work and with the process of job interview (Pico, 2006). Culture is the set of characteristic that describes an organization and gives it a distinct identity.

There is a direct relationship between organizational culture and important performance outcomes of organizations and its manifestation is the form of customer satisfaction, business growth and other performance indicators. The effect of organizational culture are considered in wide range of business and industries, through educational institutions, banking industry, automotive industries, service industries, beverages industries and manufacturing industries. Göffee and Jones (1998) perceive organizational culture as a powerful force that brings about cohesion in the modern organization. Leaders can influence the way cultures evolve, positioning their organization for a sustained competitive advantage which cannot be easily copied by competitors.

Empirical Review

Pradhan and Kumari (2017) did a critical review on how human resource flexibility relates with firms’ effectiveness in manufacturing firms in India. This work employed cross sectional survey. Questionnaire was utilized in data collection from respondents. The work employed a random sampling method, 500 respondents which comprise of employees in upper echelon. Questionnaire was distributed personally and through mails. However, 350 questionnaires which represent 70% of total response rates were correctly filled and valid for the study. The linear structural equation modeling was used for data analysis. The result of the analysis revealed that skill flexibility and behaviour flexibility have a noteworthy positive relationship with organizational effectiveness in terms of operational performance and employee performance. They concluded that human resource flexibility system of an organization enables the firm to take instantaneous actions and to successfully satisfy new or urgent demand in the market. They suggested that organizations should train their staff and develop them to make them flexible in order to produce more benefit and better results for the organization.

Ubeda – Garcia, Claver-Cortes, Marco-Lajara and Zaragoza-Saez (2017) did an analysis on how HR flexibility relates with performance of hotel in Spain. A survey research was carried out by the researcher. Questionnaire was used in collecting data. 100 questionnaires were given out to respondents. The data retrieved was analyzed using Partial Least Squares (PLS). The study noted that skill flexibility does not have statistical significant relationship with performance of hotels in Spain. They however stated that employees must be given the opportunity to develop new skills in order to perform different task or function. Yousuf, Haddad, Pakurár, Kozlovskiy, Mohylova,

Shlapak and János (2019) examined the rapport amongst operational flexibility and performance of establishment. Ninety industrial firms in Jordan served as the sample, questionnaire was distributed to managers in senior cadre in product development, operations, marketing and financial departments and Regression Technique was utilized. It was observed that operational flexibility clearly and directly affects financial and operational performance of Jordan companies. More precisely, flexibility in volume as form of operational flexibility does not influence the companies' performance in Jordan, notwithstanding, mix and new product flexibility directly affects both financial and operational performance of the companies.

Chen and Li (2016) did an extensive study where they examined how flexibility human resource management relates with innovation performance of enterprise. A survey research was carried out by the researcher. The structural model equation was used in analyzing the data. The findings revealed that behaviour flexibility and skill flexibility can be employ by firm in enhancing and boosting innovation performance of enterprise. This thus implies that innovation of an organization can be enhanced through human resource flexibility. Alibakhshi and Mahmoudi (2016) looked at how flexibility in human resources relates with performance of hospitals of Tehran Medical Sciences University. A cross sectional survey was carried out. 317 staff from 5 hospitals. Questionnaire was used in gathering information from respondents. Stratified random sampling was used in the study. Data was analyzed using linear regression. The outcome of the study revealed that skill flexibility does influence the performance of organization positively to a significant degree. They maintained that human resources flexibility plays a significant role in creating unique capability and in enhancing competitiveness of the organization. Way, Wright and Tracey (2018) looked at how HR flexibility relates with performance of firms; up to 100 employees were covered in the study. The data was analyzed using the hierarchical linear modelling. The result show that HR flexibility does significantly relate with firm performance.

3.0 Methodology

The cross sectional survey, a type of the quasi experimental design was employed. The target populations are forty-five (45) oil producing firms in Rivers state which are registered with the Department of Petroleum Resources. A total of 1,293 managerial staff in 20 selected firms was covered as the assessable population of the study. Yamene (1968) formula was used in deriving a sample size of 305 employees. The systematic sampling technique was used since it gives a sample that is a true characteristic of the entire population. The independent variable (human resource flexibility) was operationalized in terms of skill flexibility and behaviour flexibility as given in Ubeda-Garcia, Claver-Cortes, Morco-Lajara and Zaragoza-Saez (2017). Skill flexibility was measured with 7 items (e.g. our organization can shift workers' to diverse jobs when necessary). 8 items were used in measuring behaviour flexibility (e.g. the flexibility of our staff work habits enable us change conferring to market demands). Conversely, the dependent variable (firm performance) was measured using innovativeness and product quality. 5 items were used in measuring innovativeness (e. g. Our organization always engages in product innovation) and

product quality was measured with 5 items (e. g. my organization is able to deliver superior perceived product quality to customers). Items were rated on a 4-point Likert scale ranging from 1-strongly disagreed, 2-disagree, 3-agree and 4-strongly agreed. The Pearson product moment correlation was used in analyzing the bivariate hypotheses and the partial correlation was used to test the moderating influence of organizational culture.

4.0 Result

A total of 305 questionnaires were distributed to respondents, however, only 283 (92.8%) copies were returned. However, only 279 (91.5%) were deemed useable because they were correctly filled. Hence, 279 questionnaires were used for the analysis. 193 (69.2%) of the respondents were male while 86 (30.8%) of the respondent were female. This implies that the oil producing firms are dominated by male folks. The hypotheses test was undertaken at a 95% confidence interval implying a 0.05 level of significance. The decision rule is set at a critical region of $p > 0.05$ for acceptance of the null hypothesis and $p < 0.05$ for rejection of the null hypothesis.

Test of Hypotheses

HO₁: There is no significant relationship between skill flexibility and innovativeness of oil producing firms in Rivers state, Nigeria.

Table 1: Skill Flexibility and Innovativeness

		Correlations	
		Skill Flexibility	Innovativeness
Skill Flexibility	Pearson Correlation	1	.428**
	Sig. (2-tailed)		.000
	N	279	279
Innovativeness	Pearson Correlation	.428**	1
	Sig. (2-tailed)	.000	
	N	279	279

** . Correlation is significant at the 0.05 level (2-tailed).

The result of bivariate analysis in table 1 specified that there is a noteworthy correlation between skill flexibility and innovativeness with a P-value of $000 < 0.05$ level of significance, and a rho value of .428. Thus, the stated hypothesis in null form was rejected and alternate hypothesis was accepted.

HO₂: There is no significant relationship between skill flexibility and product quality of oil producing firms in Rivers state, Nigeria.

Table 2: Skill Flexibility and Product Quality

		Correlations	
		Skill Flexibility	Product Quality
Skill Flexibility	Pearson Correlation	1	.214**
	Sig. (2-tailed)		.001
	N	279	279
Product Quality	Pearson Correlation	.214**	1
	Sig. (2-tailed)	.001	
	N	279	279

** . Correlation is significant at the 0.05 level (2-tailed).

The result obtainable in table 2 display is a noteworthy correlation among skill flexibility and product quality with P-value of .001 was less in comparison to 0.05 level of significance. Furthermore, the rho-value of .214 shows a linear noteworthy relationship amongst the variables. We reject null hypothesis and accepted the alternate.

HO₃: There is no significant relationship between behaviour flexibility and innovativeness of oil producing firms in Rivers state, Nigeria.

Table 3: Behaviour Flexibility and Innovativeness

		Correlations	
		Behaviour Flexibility	Innovativeness
Behaviour Flexibility	Pearson Correlation	1	.538**
	Sig. (2-tailed)		.000
	N	279	279
Innovativeness	Pearson Correlation	.538**	1
	Sig. (2-tailed)	.000	
	N	279	279

** . Correlation is significant at the 0.05 level (2-tailed).

Drawing from the result in table 3, it was observed that there exists a significant positive relationship amongst behaviour flexibility and innovativeness. The significant value of .000 was

less than the level of significance of .05 ($.000 < .05$). The correlation figure of .538 shows a positive relationship between the variables. The null hypothesis was rejected and the alternate was accepted.

HO₄: There is no significant relationship between behaviour flexibility and product quality of oil producing firms in Rivers state, Nigeria.

Table 4: Behaviour Flexibility and Product Quality

Correlations

		Behaviour Flexibility	Product Quality
Behaviour Flexibility	Pearson Correlation	1	.491**
	Sig. (2-tailed)		.000
	N	279	279
Product Quality	Pearson Correlation	.491**	1
	Sig. (2-tailed)	.000	
	N	279	279

** . Correlation is significant at the 0.05 level (2-tailed).

The outcome of the bivariate analysis presented in table 4 shows that the P-value was .000 and the rho-value was .491. This implies that there is a noteworthy correlation existing between behavioural flexibility and product quality. We thus rejected the null hypothesis and accepted the alternate hypothesis.

HO₅: Organizational culture does not significantly moderate the relationship between human resource flexibility and performance of oil producing firms in Rivers state, Nigeria.

Table 5: Moderating Effect of Organizational Culture on HRF and Firm Performance.

Correlations				
Control Variables			Human Resource Flexibility	Firm Performance
		Correlation	1.000	.572
	Human Resource Flexibility	Significance (2- tailed)	.	.000
Organizational Culture		Df	0	314
		Correlation	.572	1.000
	Firm Performance	Significance (2- tailed)	.000	.
		Df	314	0

The study observes from the probability level of 0.000 that the moderating variable significantly moderates the existent relationship between human resource flexibility and firm performance. The positive correlation value of 0.572 shows that an increase in the intensity of the moderating variable is likely to subsequently increase the existing relationship between human resource flexibility and firm performance by up to 57.2%.

5.0 Discussion of Findings

Performance of firms is paramount in ensuring the continuity and sustainability of the establishment. From the analysis, it is observed that the flexibility in the human resources has a linear correlation with the performance of the firms. The result of the first hypothesis shows that skill flexibility has a linear noteworthy correlation with innovativeness. This was based on the P-value less than 0.05 (P-value = 0.000 < 0.05) and a rho value of 0.428. This implies that an increase in skill flexibility in the oil producing firms will subsequently lead to an enhancement in the innovative ability of the firm. The rho value of 0.428 indicates a moderate positive relationship amongst the variable. The coefficient of determination (r^2) is 0.243. This shows that 24% total variation in innovativeness of the oil producing firms can be accounted for by the skill flexibility in the organization. Also, the analysis of the second hypothesis shows that skill flexibility does have a linear positive relationship with product quality. The P-value of .001 and a rho value of .214 show a low correlation between skill flexibility and product quality. The coefficient of determination of 0.045 shows that 4.5% variation in the product quality of the oil producing firms is accounted for by the skill flexibility in the firm. Increasing skill flexibility of

an employee in the workplace will have a positive impact on their ability to produce quality product. The third hypothesis shows a substantial positive correlation amongst behaviour flexibility and innovativeness given that the significant value of 0.000 was less than the level of significance. The rho-value of .538 shows that there is a positive connection between the variables. This implies that organization that has employees with high behaviour flexibility will be able to enhance their innovativeness in the industry. The coefficient of determination of 0.289 shows that 29% variation in the innovative capability of the oil producing firms can be accounted for by the behaviour flexibility of the employees in the organization. Furthermore, the correlational value of 0.491 and a rho value of 0.000 of behaviour flexibility and product quality show that the product quality of the oil producing firms can be enhanced from the standpoint of behaviour flexibility. The coefficient of determination was 0.241. This indicates that 24% variation in the total product quality of a firm can be accounted for by the level of behaviour flexibility in the organization. It was observed that organizational culture significantly moderates the correlation amongst HRF and firm performance. This study relates with that of Pradhan and Kumari (2017) which remarked that skill flexibility and behaviour flexibility have a noteworthy positive relationship with organizational effectiveness. Tracey (2018) also observed that HR flexibility does significantly relate with firm performance. The extent of HRF has a direct link with the firm's performance.

6.0 Conclusion and Recommendation

Flexibility in human resource is of high necessity in this era that is characterized by unprecedented turbulence. The issue of constant change is an irrefutable reality facing all organizations. The ability of any organization to easily adjust the skills and behaviour of the employees to match the ever changing business environment is thus necessary in order to enhance the performance of the organization. There is a high congruence among scholars that the human resource of an organization is the most valuable resource of any organization. Increasing the skill flexibility of the employees will subsequently lead to increase in innovativeness and product quality of the organization. In same vein, the ability of the employees of the organization to easily adjust its behaviour in order to meet up with any unforeseeable eventuality will help enhance the performance of the organization. The flexibility of the human resource of an organization is relevant in driving the firm on the right part of success. The extent at which an organization is able to enhance the skill and behaviour flexibility of their employees will influence the performance of the firm. This implies that for organization to increase its performance, such organization should give paramount attention to its employees' skill and behaviour flexibility. Furthermore, organizational culture of the oil producing firms influences their performance. As such, organizations that are able to create a friendly culture are thus more likely to outperform those with toxic culture. Drawing from this conclusion and findings; the following recommendations are hereby proffered;

- i. The management of the oil producing firms should ensure that their employees are well trained and developed in order to acquire diverse skills relevant in enhancing the performance of the organization.
- ii. The management of the oil producing firms should ensure that employees are engaged in broad and interdependent roles which differ from normal routine roles, as such will help enhance their behavioural flexibility and thus boost their performance.
- iii. The management of the oil producing firms should inculcate flexibility in their human resource practices in order to enhance the innovativeness in the organization.
- iv. The management of oil producing firms should ensure human resource flexibility in the workplace in order to enhance effectiveness in operations and thus boost the total performance of the organization.
- v. The management of oil producing firms should create a supportive culture in the organization as such will help the employees to put in their best towards enhancing firm performance.

References

- Adner, R. & Daniel L. (2001). Demand heterogeneity and technology evolution: Implications for product and process innovation. *Management Science*, 47(5), 32-53.
- Akinyele, S. T. (2010). Strategic marketing and firm's performance: a study of Nigeria oil and gas industry. *Economic Sciences Series*, 62(4), 24 – 34.
- Alibakhshi, N. & Mahmoudi, G. (2016). The relationship between flexibility of human resources and performance indexes of selected hospitals of Tehran Medical Sciences University. *International Journal of Medical Research and Health Sciences*, 5(12), 349 – 355.
- Barney, J. B. (1991). Firm resources and sustained competitive advantage. *Journal of Management Science*, 17(1), 99-120.
- Beltran-Martin, I., Roca-Puig, V., Escrig-Tena, A. & Bou-Llusar, J. C. (2008). Human resource flexibility as a mediating variable between high performance work systems and performance. *Journal of Management*, 20(10), 1-36.
- Beltrán-Martín, I., Roca-Puig, V., Escrig-Tena, A. & Bou-Llusar, J.C. (2008). Human resource flexibility as a mediating variable between high performance work systems and performance. *Journal of Management*, 34(5), 1009-1044.
- Bhattacharya, M., Gibson, D. E. & Doty, D. H. (2005). The effect of flexibility in employee skills, employee behaviours and human resource practices on firm performance. *Journal of Management*, 31(4), 622 – 640.
- Booz, Allen, & Hamilton Inc. (1982). *New Product Management for the 1980s*. New York: Booz, Allen, and Hamilton Inc.
- Boxall, P. (1999). Human resource strategy and industry based competition: a framework for and action?, *Research in Personnel and Human Resources Management*, 4(3), 145–174.
- Camps, J., Oltra, V., Aldas-Manzano, J., Buenaventura-Vera & Torres-Carbolla (2015). Individual performance in turbulent environments: the role of organisational learning capability and employee flexibility. *Human Resource Management*, 7, 241 – 273.
- Chen, J. & Li, W. (2016). The relationship between flexibility human resource management and enterprise innovation performance: A study from organisational learning capability perspective. 16th international conference on informatics and semiotics in organisation (ICISO), Toulouse, France.

- Cool, K., Almeida, C. L., & Dierickx, I. (2002). Constructing competitive advantage, in Pettigrew, Andrew, Thomas, Howard and Whittington, Richard (Eds), *Handbook of strategy and management*, Sage publications.
- Cooper, R. G. & Ulricke, B. (1991), New industrial financial services: what distinguishes the winners. *Journal of Product Innovation Management*, 8 (1), 75-90.
- Detert, J. R., Schroeder, R.G. & Mauriel, J.J. (2000). A framework for linking culture and improvement initiatives in organizations. *Academy of Management Review*, 25(4), 850 – 863.
- Didier N. (2002). *Manager les performances [Managing Performance]*, Insep Consulting Editions, Paris
- Drucker, P (1954). *The practice of management*. New York: Harper and Row Publishers.
- Duckworth, R.A. (2009). The role of behavior in evolution: a search for mechanism. *Evolution Ecology*, 23, 513–531.
- Ebire, K, Mukhtar S S & Onmonya, L (2018) Effect of dividend policy on the performance of listed oil and gas firms in Nigeria. *International Journal of Scientific and Research Publications*, 8 (6), 289-302
- Echaaobari, S. G., Victor, A. C., & Ihunda, C. C. (2018). Collaboration strategy and employee performance in oil producing companies in Port Harcourt, Nigeria. *International Journal Of Social Sciences And Management Research*, 4(3), 21 – 30.
- Edwards, W.R., Kum, P. & Ranjan, R. (2002), *Understanding Organization Culture and Innovation: A Case Study Approach*. Department of Management. Monash University.
- Etale, L M & Otuya, S (2018) Environmental responsibility reporting and financial performance of quoted oil and gas companies in Nigeria. *European Journal of Business and Innovation Research*, 6 (6), 23-34
- Fahy, J. (2000). The resource-based view of the firm: some stumbling blocks on the road to understanding sustainable competitive advantage. *Journal of European Industrial Training*, 24(2), 94 -104.
- Folan P., Browne J. & Jagdev H. (2007). Performance: It's Meaning and Content for Today's Business Research, *Computers in Industry*, 58(7), 136-148.
- Galinsky, E., Sakai, K. & Wigton, T. (2011). Workplace flexibility: from research to action. *The Future of Children*, 21(2), 141–161.
- Garvin, D.A. (1993). Building a learning organization, *Harvard Business Review*, 71(4), 78–91.

- Gavrea, C., Ilies, L. & Stegorean, R. (2011). Determinants of organizational performance: the case of Romania. *Management of Marketing*, 6(2), 285 – 300.
- Goffee, R. & Jones, G. (1998). The character of a corporation: how your company's culture can make or break your business. New York: Harper Collins.
- Hunt, S.D. & Morgan, R.M. (1996) 'The resource advantage theory of competition: dynamics, path dependencies, and evolutionary dimensions', *Journal of Marketing*, 60(4), 107–114.
- Kago, Z. W., Gichunge, E. M. & Baimwera, B. (2018). Relationship between competitive strategies and organizational performance of petroleum companies in Kenya. *International Academic Journal of Human Resource and Business Administration*, 3(2), 407 – 429.
- Ketkar, S. & Sett, P. K. (2010). Environmental dynamism, human resource flexibility and firm performance: analysis of a multi-level causal model. *International Journal of Human Resources Management*, 21(8), 1173 – 1206.
- Kotter, J.P. & Heskett, J.L. (1992) *Corporate Culture and Performance*, The Free Press, New York.
- Kumara, I. G., Pradhan, R. K. (2014). Human resource flexibility and organisational effectiveness: role of organisational citizenship behaviour and employee intent to stay. *International Journal of Business and Management Invention*, 3(11), 43 – 51.
- Lebas M. J., (1995). Performance Measurement and Performance Management, *International Journal of Production*, 41, 1-3
- Lengnick-Hall, C.A. and Lengnick-Hall, M.L. (1988). Strategic human resource management: a review of the literature and a proposed typology, *Academy of Management Review*, 13(3), 454–470.
- MacDuffie, J.P. (1995). Human resource bundles and manufacturing performance: organizational logic and flexible production systems in the world of auto-industry, *Industrial and Labour Relations Review*, 48(2), 197–221.
- Mahapatro, B. B. (2013). Organization performance. *Human Resource Management*, 18, 272 – 279.
- Mangih, E. (2017). Safety practices and performance of oil and gas servicing companies in Nigeria: Empirical evidence from selected companies in Port Harcourt, *Journal Of Academic*, 7(4), 177 – 181.

- Neuman, G.A. & Wright, J. (1999). Team effectiveness: beyond skills and cognitive ability, *Journal of Applied Psychology*, 84(3), 376–389.
- Nwaiwu, N J, & Oluku, N O (2018). Environmental cost disclosure and financial performance. *Journal of Advanced Academic Research*, 4(2), 1-23
- Obara, LC & Nangih, E (2017) Accounting practices and performance of oil and gas industry (upstream sector) in Nigeria: an empirical analysis. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, 7(2): 215-222
- OECD. (2005), Oslo Manual: *Guidelines for Collecting and Interpreting Innovation Data*. Paris: Organization for Economic Co-operation Development (OECD) Publishing.
- Pamela, A. C. J., Umoh, G. I. & Worlu, G. (2017). Human resource planning and organisational performance in oil and gas firms in Port Harcourt. *International Journal of Advanced Academic Research, Social and Management Sciences*, 3(9), 110 – 129.
- Parasuraman, A., & Zeithaml (1985). V. A., Berry, L. L. A Conceptual Model of Service Quality and its Implications for Future Research. *The Journal of Marketing*. 49(4), 41–50
- Peteraf, M. & Barney, J. (2003). Unraveling The Resource-Based Tangle. *Managerial and Decision Economics*, 24, 309-323.
- Pico. (2006). A survey on relationship among burnout, role conflict, job satisfaction, and societal mental health between personnel of healthcare unit in Hungarian hospitals. *International Journal of Nursing Studies*, 43, 311-318.
- Porter M. (1985). *Competitive Advantage: Creating and Sustaining Superior Performance*, The Free Press, New York.
- Pradhan, R. K., & Kumari, I. G. (2017). Human resource flexibility and organizational effectiveness: mediating role of organizational citizenship behaviour. *International journal of Human Resources Development and Management*, 17(314), 282 – 300.
- Pradhan, R.K., Kumari, G.I. & Kumar, U. (2017). Human resource flexibility and organizational effectiveness: mediating role of organizational citizenship behaviour, *Int. J. Human Resources Development and Management*, 17(3/4), 282–300.
- Reeves, C.A. & Bednar, D.A. (1994). Defining quality: alternatives and implications. *Academy of Management Review*, 19(3), 419-45.
- Richard, P., Devinney, T. & Yip, G. (2009). Measuring organizational performance. Toward methodological best practices. *Journal of management*. 35(3):718 – 804.

- Rolstadas A. (1998). Entreprise Performance Measurement. *International Journal of Operations and Production Management*, 18, 9-10.
- Sebastianelli, R. & Tamimi, N., (2002). How product quality dimensions realte to defining quality. *International Journals of Quality & Reliability Management*, 19(4), 442-453.
- Silva, A.A. & Ferreira, F.C. (2017), “Uncertainty, flexibility and operational performance of companies: modelling from the perspective of managers”, *RAM. Revista de Administração Mackenzie*, 18(4), 11-38.
- Snell, S.A., Youndt, M.A. and Wright, P.M. (1996). Establishing a framework for research in strategic human resource management: merging resource theory and organizational learning, Ferris, G. (Ed.): *Research in Personnel and Human Resources Management*, 14, 61–90.
- Ubeda-Garcia, M., Claver-Cortes, E., Morco-Lajara, B. & Zaragoza-Saez, P. (2017). Human resource flexibility and performance in the hotel industry: the role of organizational ambidexterity. *Personal Review*, 46(4), 1 – 46.
- Venkatraman, N. & Ramanujam, V. (1986), “Measurement of business performance in strategy research: A comparison of approaches”, *Academy of Management Review*, 11(4), 801-814.
- Way, S. A., Wright, P. M. & Tracey, J. B. (2018). HR flexibility and firm performance: The cross-level moderating effect of industry dynamism. *Academy of Management Proceedings*, 4.76-82.
- Weick K.E. (1982). *Management of Organizational Change among Loosely Coupled Systems*, In P. Goodman and Associates (Ed.). *Changein Organizations: New Perspectives on Theory, Research, and Practice*. San Francisco, CA: Jossey-Bass, 375-408.
- Whooley J. S., (1996). Formative and Summative Evaluation: Related Issues in Performance Measurement, *American Journal of Evaluation*, 17(2), 56-72.
- Wright, P. M. & Boswell, W. R. (2002). Desegregating HRM: A review and synthesis of micro and macro human resource management research. *Journal of Management*, 28(3), 247 – 276.
- Wright, P.M. and Snell, S.A. (1998). Toward a unifying framework for exploring fit and flexibility in strategic human resource management, *The Academy of Management Review*, 23(4), 756–772.