

HUMAN RESOURCE DEVELOPMENT AND EMPLOYEE PERFORMANCE: THE ROLE OF INDIVIDUAL ABSORPTIVE CAPACITY IN THE NIGERIAN OIL SECTOR

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ABSTRACT

Human Resource Development (HRD) is a process whereby the management of an organization improves the skill-set and capabilities of its workforce through deliberate training, career and organizational development. This study seeks to investigate the role of HRD in employee performance using individual absorptive capacity as a moderator for selected firms in the Nigerian oil sector. It employed a cross-sectional survey research design. The population size comprised 1,274 employees of the selected firms and sample size of 274 employees. To generate data, a 5-point Likert scale questionnaire was used and analysis carried out using Stata version (13) software. The results revealed that HRD has a positive significant relationship with employee performance. Results also showed that individual absorptive capacity has a positive significant relationship with HRD and employee performance, implying that individual absorptive capacity moderates the relationship between the independent and dependent variables. In conclusion, HRD was found to play a significant role in employee performance in the selected companies in Nigeria. The study recommends that management should focus on improving their HRD practices such as training and development, career development, and organizational development in order to increase their individual absorptive capacity and ultimately boost employees' performance. The study contributed to knowledge by revealing that individual absorptive capacity can determine the extent to which HRD practices affect employee performance of selected companies.

Keywords: Human Resource Development, Employee Performance, Individual Absorptive Capacity.

INTRODUCTION

The success of an organization is strongly linked to the performance of its employees. This is because employees are indispensable part of any corporation and are relied on for optimum productivity and organizational efficiency. To keep up with productivity and higher performance, the workforce must constantly be upgraded to match new technologies and processes. Sullivan (2011) expressed this when he stated that global competition has created a rapid pace of change and current skill sets must be continually updated and managers should identify employees with less optimal skills. Kareem (2017) also supports this when he stated that for about twenty years now, human resource development (HRD) had gained prominence in area of management development. This means that there is a need for firms to continuously boost and improve the abilities and general performance of their human resources.

To meet this need, organizations aspiring for growth utilize an extensive portion of their resources on Human Resource Development (HRD). HRD is the integrated use of training and development, organizational development, and career development to improve individual,

group and organizational effectiveness. HRD practices are designed to improve business performance by enhancing employees' overall skills, abilities and behaviour. HRD has grown extensively in the Nigerian Oil Industry. There are cases that show us how HRD has benefited companies in areas such as increased profit, productivity and improvement of performance for both firms and the people in them. Over the years, a number of articles have been published regarding the relationship between HRD and Employee Performance and although many Nigerian firms practice Human Resource Development, most still struggle with poor employee performance and organizational inefficiency. This imply that there are varying factors that influence the impact of HRD practices on workforce performance. Recent studies have shown the most common to be an employee's ability or inability to acquire, internalize and use new knowledge. This is known as Absorptive Capacity (ACAP).

Some of the Oil firms in Nigeria lack the ability to recognize the value of new external information, nor do they apply it to commercial ends. Most of them lack the capability to outsmart (or outspend) the competition; even the capability to put the Business Model Canvas to some their key areas of competence.

However, this study is concerned with the individual employee and hence, individual absorptive capacity. Examining previous research works, we deduced that an employee's skills and performance is a function of his or her ability to identify, assimilate, transform and use external knowledge. Sadly, many Nigerian organizations do not know this and continue to experience performance challenges. It is against this background that it becomes important to discuss and redefine the relationship between HRD and employee performance, while determining the extent to which individual absorptive capacity affects this relationship in selected oil companies in Nigeria.

Organizations are facing increased competition due to globalization and changes in the economic, political and technological environments and these affect employees' performance. The inability of many corporations to effectively determine factors that lead to optimal performance has led to poor employee performance (Obisi, 2011).

Many companies are yet to make the connection between HRD and employee performance, yet they continuously struggle to achieve high performance. The low level of performance was generally attributed to lack of adequate incentives, such as salary or wages but today, that is not the case as lack of training and development, career development and poor organizational development now contribute to this problem. Hence, a constant improvement in the skills of employees would increase their abilities to identify, absorb, and use new external information. Therefore, it is imperative that managers in different organizations have the understanding of those factors that can impinge on employees' performance (Afshan et al., 2012).

This study addresses by considering HRM as a vital strategic asset in organizational value creation and development of absorptive capacity that is essential for systematically handling external knowledge embedded in firms' relationships and stimulating innovation performance. Human resource management encompasses employment practices such as access to training, workshops, rotation of jobs, skill adaptation, as well as incentive and compensation schemes management. The implication of the paper is that previous studies undervalues the extensive concept of organizational absorptive capacity by taking into account only R&D and human capital indicators to analyse circumstances for benefiting from external partnership. In his study we provide a broader definition of absorptive capacity integrating firms' human resource practices and aimed towards achieving the following three objectives for firms in the oil sector.

1. Determine the extent to which HRD directly influences employee performance.
2. Evaluate the relationship between individual absorptive capacity and employee performance.

3. Determine the degree to which absorptive capacity moderates the relationship between HRD and employee performance.

Hypotheses

H01: There is no significant relationship between Human resource development and employee performance.

H02: There is no significant relationship between individual absorptive capacity and employee performance.

H03: Absorptive capacity does not moderate the relationship between Human resource development and employee performance.

LITERATURE REVIEW

Human Resource Development

The concept of human resource development is a framework for helping employees to develop their personal and organizational skills, knowledge, and abilities (Vasantham, 2015). It focuses on the framework for helping employees develop their personal and organizational skills, knowledge and abilities for personal success and organizational system success. HRD is concerned with developing the skills, knowledge and competencies of people and it is people-oriented concept. Employees' background, expectations, values etc. vary from person to person. Therefore, each employee should be managed differently based on different principles/approach, hence the competencies of human resources are developed through Human Resource Development programs (Vasantham, 2015).

Despite the numerous definitions, the focus of HRD is on developing the workforce so that the organization and individual employees can accomplish their work goals with reference to service delivery. The various components of Human Resource Development are extremely broad. However, these functions have been narrowed down and encompassed by three major aspects. They include training and development (T&D), career development (CD) and organizational development (OD).

The purpose of HRD is to enhance individual performance and improve organizational effectiveness and productivity. Nowadays, HRD is considered as the key to higher productivity, better relations and greater profitability for any organization (Vasantham, 2015). Examining the opinions of these scholars, it can be concluded that HRD is a means by which workers in an organization are changed from their present conditions to an improved state to enhance performance of organizational workforce.

Over time, different researchers have used various methods to measure Human Resource Development; the most common being the use of questionnaires. Anitha (2014) used 5-point Likert scale to determine the opinions of employees and managers on Human Resource development. For the purpose of this study, the questionnaire used by (Anitha, 2014) was adopted and modified to suit.

Employee Performance

Employee performance is defined as the ability of an employee to accomplish his mission based on the expectations of an organization. It is a measure of the extent to which a job task is carried out. Employee performance is the pillar upon which the overall organizational performance hinges and involves employee's monetary or non-monetary outcome (Anitha, 2014). Performance goals include adjusting individual performance expectations to organizational goals. The conformity between achieving this goal and the goals of the organization will be able to achieve good performance.

To measure the performance of an employee (i.e. output), management should employ the concept of efficiency. Depending on the nature of work an employee performs, his or her productivity can be determined and measured in terms of skills and abilities, with less emphasis on organizational outcomes. Some measures of employee performance would be quality and quantity of output, innovation, increased profitability, overall, organizational effectiveness etc. According to Aderibigbe & Dunmade (2019), performance measures include quality of work, employee honesty, initiative, attendance, attitude, reliability, cooperation and adequate knowledge of work.

Numerous scholars over the years have attempted to measure employee performance. Cooper et al. (2019) measured Employee Performance using the 7-item scale. E.g. "This person adequately completes assigned duties." Managers rated their subordinates for each of the items on a 5-point scale (1 = strongly disagree, 5 = strongly agree), and the Cronbach alpha coefficient was 0.86. On the other hand, Mmbusa & Kiiru (2019) measured employee performance using structured questionnaires, consisting of 21 open-ended and close-ended questionnaires. Also, Aderibigbe & Dunmade (2019) measured Employee performance using a survey questionnaire. The reliability measure of the instrument was 0.81. Furthermore, Muzakki & Muthadi (2019) measured employee performance using a 5-point like scale questionnaire. However, this study adopted the questionnaire developed by Mmbusa & Kiiru (2019) and was modified to suit the purpose of this research.

Individual Absorptive Capacity

Absorptive Capacity is the ability of a firm to recognize the value of new external information, assimilate it, and apply it to commercial ends. Individual absorptive capacity is defined as an individual's ability to acquire, assimilate, transform, and exploit new or valuable external knowledge. In fact, the ability to constantly renew, improve and transfer knowledge is paramount to many firms. According to Ter Wal et al., (2017), individual knowledge workers who actively contribute to the absorption of knowledge from the environment are key in making their organizations innovative. This gave rise to the four (4) dimensions of absorptive capacity; Acquisition Capacity, Assimilation Capacity, Transformation Capacity, Exploitation Capacity (Mmbusa & Kiiru, 2019).

The work of Vasconcelos et al. (2018) explains the measures of absorptive capacity with the aid of a 15-item questionnaire on a 5-point Likert scale ranging from strongly agree to strongly disagree. Ulrich (2016) also measured individual absorptive capacity using a three item questionnaire on a 7-point Likert scale. Likewise, Vasconcelos et al. (2018) measured the impact of absorptive capacity on firm performance using a *questionnaire* with 6 items on a 5-point Likert scale. Furthermore, Ulrich (2016) measured absorptive capacity using an 11 item questionnaire. Finally, Liu et al. (2018) measured absorptive capacity using a 7-point scale questionnaire ranging from 1=significantly to 5= significantly disagree. However, this study adopted the questionnaire developed by Vasconcelos et al. (2018) with slight modification.

Human Resource Development and Employee Performance

Human resource development plays a big role in the final outcome of employee performance. Its components are all geared towards significantly boosting the abilities of workers, thereby increasing performance. According to Al-qout (2017), HRD has multiple effects on the employee performance such as increasing performance, strengthening the human relations etc. Many researchers working on empirical investigation of HRD on employee performance have found a positive link between employee training and employee performance (Elnaga & Imran, 2013). Asfaw et al. (2015) investigated the relationship between HRD and employee performance and found a significant positive relationship between the two variables.

A similar study in Pakistan also found a significant influence of HRD on employee performance (Tahir et al., 2014).

Otoo & Mishra (2018) conducted a study to determine the Impact of Human Resource Development (HRD) practices on Employee Performance in Ghana for small and medium scale enterprises. The sample size was 500 employees from the selected SMEs. Data was collected through questionnaires and analysis was carried out using structural equation modelling. The results of the study indicated that certain human resource development practices positively influences employee performance. However, one limitation of the research was that it was carried out in small and medium scale enterprises. Also, the analysis was based on cross-sectional data, thereby making it impossible to generalize across other economic sectors.

Frank and Mridula (2018) conducted further research on the impact of HRD on performance in their work. The study intended to examine the mediating role of employee competencies in the relationship between HRD practices and performance. The results showed that some HRD practices impacted performance through their influence on employee competencies. The study also revealed that employee performance mediates the relationship between HRD practices and organizational performance. The research was however undertaken in the hotel industry and so the results of the analysis may not be applicable in other industries. Therefore, on the basis of the above discussion, it has been established that HRD leads to higher employee performance.

On top of that, Rumawas (2015) carried out an empirical investigation of the impact of HRD, organizational commitment and compensation on employee performance. The study was carried out in Sulut Bank, North Sulawesi, Indonesia. The sample size was 125 respondents out of the total population of 612 employees. Data were collected by distributing questionnaires to the respondents. Analysis was conducted using double linear regression statistics. The results showed that HRD has some impact on employee performance. It also showed that organizational commitment and compensation also have some significant impacts on the employee performance. The study was limited to only one Bank in Indonesia. Interestingly, Kwon (2019) investigated the impact of HRD on employee financial performance in Korean companies. Data was collected from 312 firms and latent growth modelling was used to help identify a pattern of reciprocal relationships between HRD investment and financial performance over time. Findings indicate that a relationship exists between HRD and employee financial performance. The study was limited to a few Korean organizations.

Otoo (2019) conducted a study to examine the relationship between HRD practices and performance in Ghanaian banks. Data were obtained via questionnaire from 550 employees of the selected banks. The validity of the model and hypotheses were tested using structural equation modelling. The results indicate that some HRD practices impact organizational performance through their influence on employee performance. The study was limited to a few Ghanaian banks.

Similarly, Otoo & Mishra (2018) conducted a study “Measuring the impact of human resource development (HRD) practices on employee performance” on small and medium scale enterprises (SME’s) in Ghana. The sample size was 500 employees from the selected SME’s. Data was collected through questionnaires and analysis was carried out using structural equation modelling. The results of the study indicated that certain human resource development practices positively influence employee performance. The study was limited to only select SMEs and may not be applicable to other larger companies.

Human Resource Development and Absorptive Capacity

Roy (2015) investigated this relationship in his study “Role of Human Resource Development practices on Absorptive capacity.” The study obtained data using questionnaires

and a multivariate analysis was used to analyse and test hypotheses. The results showed that absorptive capacity is influenced by certain Human Resource Development practices.

Absorptive Capacity and Employee Performance

Previous literature has shown that a positive significant relationship exists between the firms/individual absorptive capacity and the performance of employees. Chaudhary & Batra, (2018) support this when they stated that absorptive capacity leads to competitive advantage and superior firm performance through improvement of employee performance. Furthermore, Liu et al. (2017) observed that absorptive capacity has a positive impact on innovation performance when they stated that organizations must improve their abilities to acquire and use new information in order to increase creativity and innovative skills of workers, which would in turn culminate into better performance.

Very little research has been carried out on the relationship between absorptive capacity and employee performance. However, Chaudhary & Batra, (2018) investigated the relationship between absorptive capacity and performance in small family firms in their work "Absorptive capacity and small family firm performance: exploring the mediation processes". Data was collected from 272 small Indian family firms and the study established that absorptive capacity enables the creation of entrepreneurial, market and technology orientations in small family firms, which, in turn, leads to superior firm performance. Hypotheses were also tested using mediation and multiple linear regression analyses. The study revealed a positive indirect relationship between absorptive capacity and performance. More so, Liu et al. (2018) in their study, "Absorptive capacity and business performance", investigated the effects of absorptive capacity business performance. Data from 278 Chinese firms in four manufacturing industries were collected by questionnaire and were used to empirically examine the proposed model using Structural Equation Modelling. Findings show that absorptive capacity can directly enhance business performance.

Ali & Ali (2018) examined the impact of knowledge governance, knowledge sharing and absorptive capacity on employee performance in project-based organizations (PBOs). It was discovered that knowledge governance and knowledge sharing are important antecedents for improving the absorptive capacity of the staff, which in turn significantly improves project performance. Figure 1 shows the relationship between Human Resource Development, Absorptive Capacity and Employee Performance.

H₁ – Individual's absorptive capacity is positively related to employee performance.

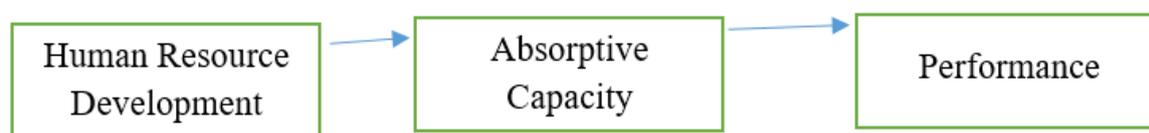


FIGURE 1

CONCEPTUAL MODEL: THE RELATIONSHIP BETWEEN HUMAN RESOURCE DEVELOPMENT, ABSORPTIVE CAPACITY AND EMPLOYEE PERFORMANCE

Human Capital Theory

Human Capital Theory was adopted as the framework within which this work was conducted, as well as the background against which this work rests. It is important to invest in education whether formal or informal, in order to enhance employee's productivity and performance. Fitzsimons (2015) defines human capital as the total health, knowledge, abilities, and skills acquired by an individual over a period of time. The Human Capital theory is an economic theory which explains that the summation of an individual's skills, abilities, competencies etc. within a given population will lead to economic development and growth. In fact, according to Gulaliyev et al. (2019), a deep correlation exists between GDP and expenditure on education and training in the countries of the world. This indicates that economic development of a country largely depends on the degree of development of its human capital. In this same vein, when narrowed down to the organizational level, the term 'human capital' is synonymous with a firm's human resources (employees). The nurturing and development of these resources to improve employee performance, is what gives a firm competitive advantage and leads to overall organizational efficiency. Human capital is represented as individual knowledge that can be in the form of skills, experience, expertise, ideas, knowledge, competencies, capabilities and values that employees have. Fitzsimons (2015) states that the performance of employees is a function of their education and training. Human capital theory focuses on the effects of the variance in employee skills on performance. Today, many organizations depend on this theory to determine what type of HRD practices will yield the highest level of performance.

The theory of human capital was adopted for this study because it focuses directly on the competencies of employees in organizations and highlights the importance of the organizations human resources and their significant influence on organizational efficiency and also supports the use of human resource development components to boost employee performance.

MATERIALS AND METHODS

This research adopts a cross-sectional survey research design. The target population of this study are the employees of three (3) companies in the oil sector in Nigeria, namely Total NG, Forte Oil and Seplat Petroleum, with 470, 405 and 399 employees respectively, totalling a population size of 1,274. The Taro Yamane formula was used to determine the sample size and the sample size is 304, which will be the number of respondents of the questionnaires to be administered. For this research work, the simple random probability sampling method was adopted. It uses the principle of randomization, which gives every subject in the population an equal chance of being selected as part of the sample. Primary data was collected for this study using a structured questionnaire, developed for the purpose of this study. The questionnaire was divided into two sections, A and B; the former containing demographic information about the respondents and the latter containing twenty (20) questions that seek to obtain answers to the research questions of the study, using a 4-point Likert scale ranging from strongly agree (SA), agree (A), disagree (D) and strongly disagree (SD). An interval of two weeks was given for the respondents to answer the questionnaires and collection was done after the allowed period (Githinji, 2014).

Out of three hundred and four (304) distributed questionnaires, two hundred and eighty-five (285) were returned, eleven (11) of which were considered invalid. This left a total of two hundred and seventh-four (274) questionnaires, which translates to 90% participation in the quantitative phase. Secondary data was obtained from previous articles, the companies' annual reports, journals and other related publications. The research instrument was tested for internal consistency using the Cronbach coefficient alpha method. Internal consistency describes the

extent to which all the items in an instrument measure the same concept. The results of a Cronbach alpha analysis is considered acceptable when ($\alpha \geq 0.05$)

The data collected for this study was analysed using The Pearson Product Moment Correlation (PPMC) statistical tool in estimating the relationship between the dependent variable and independent variables and the analysis was done using SPSS version 16 software package. The adoption of PPMC method of data analysis for this study was justified in the survey study of this nature in measuring the strength of a linear association between the dependent variable and independent variables.

RESULTS AND DISCUSSION

Presentation of Data

We observed that male respondents represent 54% of the total population while 46% represented the female respondents. Twenty-seven (27) %, 38%, 26% and 9% of the respondents were in the age range of 18-30, 31-40, 41-50 years and 51–above years. While 61% of the respondents are married, 38% of the employees are single with divorcees accounted for only 1% of the respondents. Fifty (50) % of the respondents have a first degree, 37% have M.Sc. degree, while OND/HND and other qualifications make up 8% and 5% of the entire respondent population.

Analysis of Data

The survey data generated from the questionnaire on research questions 1, 2, 3 and 4 of the study were analysed using Pearson Product Moment Correlation statistical tool in the test of hypotheses 1, 2, 3 and 4 respectively. SPSS version 16 software package was used to run the analysis of the study on Pearson Product Moment Correlation statistic. Table 1 shows the respondents' level of agreement for each of the items addressing human resource development activities. Data shows that most respondents strongly agree that the various human resource development activities components i.e. training and development, career development and organization influence their work performance. This is indicated by high level of agreement of each of the items.

S/N	QUESTIONNAIRE ITEMS	SD (%)	D (%)	A (%)	SA (%)	Total
1	The organization provides training opportunities for me to grow	36(13)	42(15)	89(33)	107(39)	274
2	Training has improved my ability to perform job tasks more efficiently	17(6)	34(12)	93(34)	130(47)	274
3	Training needs identified are realistic, useful, and based on the organization's business goals and strategies	12(4)	23(4)	90(33)	149(55)	274
4	Due to training, I am better equipped to tackle challenging events with skill and confidence	28(10)	33(12)	101(37)	112(41)	274

5	The organization provides coaching and mentoring to enable employees grow in their careers	17(6)	26(9)	109(40)	122(45)	274
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Source: Researcher's Field Survey (2019)

Table 1 shows that majority of respondents agree with the items in the questionnaire. While Table 2 indicates high level of agreement of the various items measuring individual absorptive capacity with data showing that respondents agree that their levels of absorptive capacity relates to their performance, Table 3 shows the items 1-4, which address human resource development and individual absorptive capacity. The results obtained reveal that large percentage of respondents strongly affirmed to the four (4) items.

S/N	QUESTIONNAIRE ITEMS	SD (%)	D (%)	A (%)	SA (%)	Total
1	I communicate newly acquired knowledge that might be in the interest of the company	26(10)	41(10)	124(4)	83(30)	274
2	I am quick to solve problems when things go wrong	33(12)	21(12)	89(32)	131(48)	274
3	I am willing to take on new tasks that are assigned to me	45(17)	20(7)	118(43)	91(33)	274
4	I do not understand customers' needs or the requirements of my job	120(44)	99(36)	21(8)	34(12)	274
5	I am accurate and dependable in my work	13(5)	24(5)	98(36)	139(50)	274
6	I often apply newly acquired knowledge to my work	21(8)	22(8)	102(129)	129(47)	274

S/N	QUESTIONNAIRE ITEMS	SD (%)	D (%)	A (%)	SA (%)	Total
1	Training helps me to transform existing knowledge into new ideas.	26(9)	44(16)	84(31)	120(44)	274
2	Due to Human Resource Development, I can exploit new knowledge to create new products, services, and work methods.	15(6)	36(13)	116(42)	107(39)	274
3	Human Resource Development gives me skills to search out and identify new knowledge.	41(15)	25(9)	81(30)	127(46)	274
4	Human Resource Development has improved my learning abilities.	31(11)	26(10)	80(29)	137(50)	274

Source: Researcher's Field Survey (2019)

Table 2 shows that majority of respondents agree with the questions. Table 3 shows that majority of respondents concur with the items in the questionnaire. Table 4 shows that majority of respondents agree with the items in the questionnaire. It is clear that there is higher level of agreement than disagreement of the given items measuring the moderating role of absorptive capacity in HRD activities. The majority of respondents agreed with the measures of performance in the questions as shown in Table 5.

S/N	QUESTIONNAIRE ITEMS	SD (%)	D (%)	A (%)	SA (%)	Total
1	My ability to transform new knowledge into useful ideas enhances my work performance.	21(8)	40(14)	92(34)	121(44)	274
2	My job performance has increased as a result of improvement in my learning skills.	28(10)	18(7)	98(36)	130(47)	274
3	Human Resource Development boosts my learning skills which in turn enhances my performance.	22(8)	31(11)	133(49)	88(32)	274
4	Training helps me to transform existing knowledge into new ideas.	26(9)	44(16)	84(31)	120(44)	274
5	Due to Human Resource Development, I can exploit new knowledge to create new products, services, and work methods.	15(6)	36(13)	116(42)	107(39)	274
6	Human Resource Development gives me skills to search out and identify new knowledge.	41(15)	25(9)	81(30)	127(46)	274
7	Human Resource Development has improved my learning abilities.	31(11)	26(10)	80(29)	137(50)	274

Source: Researcher's Field Survey (2019)

S/N	QUESTIONNAIRE ITEMS	SD (%)	D (%)	A (%)	SA (%)	Total
1	I use to maintain high standard of work	26(10)	41(10)	124(4)	83(30)	274
2	I am capable of handling my assignments without much supervision.	33(12)	21(12)	89(32)	131(48)	274
3	I am very passionate about my work	45(17)	20(7)	118(43)	91(33)	274
4	I know I can handle multiple assignments for achieving organizational goals.	120(44)	99(36)	21(8)	34(12)	274
5	I use to complete my assignments on time	13(5)	24(5)	98(36)	139(50)	274

Source: Researcher's Field Survey (2019)

Test of Hypotheses

The study has three hypotheses, the H_{01} and H_{02} were tested with ordinary least square (OLS) multiple regression, while the third H_{03} was tested with Pearson Product Moment Correlation (PPMC).

Variabes.	HRD	IAC	PEF
Human Resource Development	1		
Individual Absorptive Capacity	0.3743	1	
Employees performance	0.5378	0.6105	1

Source: Researcher's computation (using Stata version 13.0)

The correlation result indicates a positive correlation between the studied variables (Table 6).

Variabes	B	Std Err	T	P>/t
Human Resource Development	0.318478	0.044167	7.64	0
Individual Absorptive Capacity	0.430764	0.0426	10.11	0
Cons	1.293654	0.181742	7.12	0
R-squared	0.4839			
Adj. R-squared	0.4801			
F	127.07			
Prob>F	0			

Source: Researcher's computation (using Stata version 13.0)

Hypothesis One

H_{01} : There is no significant relationship between Human resource development and employee performance.

From Table 7, giving the Beta value ($\beta = 0.318$, $p = 0.000$) indicates that there exists a significant relationship between HRD activities and employee's performance. In view of this, the null hypothesis (H_0) was rejected and the alternate hypothesis (H_a) accepted, implying that human resource development has a direct influence on employee performance.

Hypothesis Two

H_{02} : There is no significant relationship between Individual Absorptive Capacity and employee performance.

The Beta value ($\beta = .430$, $p = 0.000$) as shown in Table 7 indicates a significant positive relationship between individual absorptive capacity and employee's performance.

Hence, the null hypothesis (H_0) was rejected and the alternate hypothesis (H_a) that there is a positive relationship between individual absorptive capacity and employee performance accepted.

Hypothesis Three

H₀₃: Individual Absorptive Capacity does not moderate the relationship between Human resource development and employee performance.

TABLE 8 MODERATING ROLE OF INDIVIDUAL ABSORPTIVE CAPACITY IN HRD ACTIVITIES AND EMPLOYEE PERFORMANCE		
Variables.	B	P>/t/
Human Resource Development	0.5386	0
Individual Absorptive Capacity	0.6148	0

Source: Researcher's computation (using Stata version 13.0)

Table 8 shows the moderating role of individual absorptive capacity in HRD activities and employee giving the Beta value ($\beta = 0.412$, $p = 0.000$). Hence, the null hypothesis (H_0) is rejected and the alternate hypothesis (H_a) accepted. This signifies that individual absorptive capacity significantly moderates the relationship between human resource development and employee performance.

DISCUSSION

The purpose of this research study is to redefine the role of HRD on employee performance in selected companies in the Nigerian oil sector and to investigate the moderating role of individual absorptive capacity in the relationship between the independent and dependent variables. We found that human resource development has a direct influence on employee performance which is in accordance with Al-qout (2017); Elnaga & Imran (2013); Asfaw et al. (2015); Tahir et al. (2014). Human resource development plays a big role in the final outcome of employee performance and that its components (training and development, organizational development and career development) are all geared towards significantly boosting the abilities of workers, thereby increasing performance.

A significant positive relationship between individual absorptive capacity and employee's performance was obtained. This is in accordance with Liu et al. (2017) who agree that Individual Absorptive Capacity significantly affects performance and that absorptive capacity leads to competitive advantage and superior firm performance through improvement of employee performance.

The study also found that individual absorptive capacity significantly moderates the relationship between human resource development and employee performance. This finding align with (Changsu et al., 2011) which affirmed that individual absorptive capacity significantly moderates the relationship between HRD and Employee Performance.

Though previous researches paid only slight attention to the moderating role of HRD practices on the link between the absorptive capacity of employees and firms, our study in this regard has tested HRD practices as a moderator. This present study, following a need established by Turner et al. (2008) for empirical research of the main roles of HRD practices

on enhancing knowledge capture, shows that HRD practices have moderating effects on the relationship between employees' potential absorptive capacity (AC) and long-run term firm performance.

Furthermore, findings from this study align with the earlier reports of Brady & Davies (2004) that HRD practices play crucial roles in enhancing employees' potential absorptive capacity through the accumulation of prior related knowledge. This study also responded to demands from previous studies (Chuang et al., 2010) for empirical study of HRD practices in project-oriented companies like the oil companies.

Result obtained from this study reveals that HRD practices co-vary with employees' realized ACAP and is in line with Dvir & Shenhar (1990) argument that though building human resources is imperative, sufficient time is required for it to be effective. This study also shows that that realized ACAP has a direct effect on firm performance (Zahra & George, 2002). This finding corroborates Zahra & George's (2002) argument that potential ACAP is the cumulative knowledge resulting from previous assignments/duties.

CONCLUSION AND RECOMMENDATION

The results of this study indicate that the HRD components have a positive effect and influence on the performance of employees over time. Therefore, it is important for organizations to adopt certain practices that focus on enhancing employee abilities and skills as this would yield the organization profitably and give the firm competitive advantage. Furthermore, results have shown that individual absorptive capacity can influence the degree to which HRD influences employee performance. The ability to transform new knowledge into useful ideas will give a firm competitive advantage. Individual absorptive capacity will allow workers be flexible and equip them with the ability to adapt to changing situations in the environment. Therefore, management must come up with ways to enhance their employee's absorptive capacity so as to improve their general work performance. Following the results and findings the study recommends that Management should focus on boosting individual absorptive capacities of their employee through HRD training and career development programs. The present study has contributed to knowledge by revealing that individual absorptive capacity can determine the extent to which HRD practices affect employee performance. Also, the study has added to existing literature in the field of Human resource management and employee performance.

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