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CORPORATE GOVERNANCE AND HUMAN RESOURCE MANAGEMENT IN NIGERIA'S DOWNSTREAM PETROLEUM SECTOR

Olabode A. OYEWUNMI*, Kenneth S. ADEYEMI, Olaleke O. OGUNNAIKE*****

Abstract

The emergence of a 'new world economy' makes it imperative for corporate entities to adjust their corporate values, practices and internal processes. This paper explored the interrelatedness of selected corporate governance practices and human resource management outcomes. The paper relied on established corporate management theories as a platform for empirical consideration of selected issues relative to four established players in Nigeria's downstream petroleum sector. A descriptive method was adopted and data was collected via a survey of 112 respondents. Contextual arguments were captured to achieve a robust appreciation of issues affecting individual participation and operations of corporate entities. The study found that there is a significant relationship between corporate governance practices and human resource management outcomes. Requisite conclusions and recommendations were provided in the light of empirical and theoretical findings.

Keywords: corporate governance, human resource management, petroleum, downstream, Nigeria

JEL classification: M10, M12

1. INTRODUCTION

Corporate governance and human resource management are two concepts that are of significance to all modern corporate entities. A robust appreciation and application of these concepts will contribute in measurable respects to the growth and sustainability of various organizations (Graeme and Gollan, 2012). In corporate parlance, the governance of business concerns or entities covers a myriad of apparent and not so evident issues. This relatively broad outlook has implications for the organizational context that incorporate governance processes, in addition to broader societal consequences (Nerantzidis *et al.*, 2012). Hence, ongoing debates have focused on, the financial, non-financial, regulatory and the policy dimensions of corporate governance (Garratt, 2003; O. A. Oyewunmi *et al.*, 2017). This holistic conceptualization of the term brings to the light the central role of the human actors.

* Covenant University, Nigeria; e-mail: *olabode.oyewunmi@covenantuniversity.edu.ng* (corresponding author).
** Kwara State University, Nigeria; e-mail: *skadeyemi849@gmail.com*.
*** Covenant University, Nigeria; e-mail: *olaleke.ogunnaike@covenantuniversity.edu.ng*.

It also highlights the underlying corporate governance indicators attributable to contemporary business organizations pursuing long-term sustainability.

Corporate governance deals with a complement of issues and the components should by no means be construed as mutually exclusive. There are some elements which form the core of corporate governance framework amongst other indirect and associated matters. Thus, the well-established signposts have addressed matters of, board composition and structure; financial disclosure mechanisms; corporate efficiency as well as regulatory and policy compliance. However, there is a recurring need to deploy applicable human resource capabilities to optimize a specific organizational governance structure. This approach presumes the complementary dynamics of the two fundamental business concepts. It also accommodates the peculiarities of business concerns, whilst considering identifiable corporate outcomes, and implications for the overall corporate strategy (Heijltjes and Witteloostuijn, 2003). In practical terms, human resource management constitutes a robust or holistic system designed to achieve the delivery of compliant, adaptable, contextual, and effective employment policies and practices. To put it succinctly, the fundamental aim is to foster within a certain period, certain outcomes that contribute towards the achievement of strategic corporate goals (Armstrong, 2012). Thus, the strength of the human resource profile and the strategic corporate plan must be appraised and appropriately harmonized to deliver intended outcomes on multiple levels.

Specific outcomes attributable to the human resource management include; employee commitment, which deals with diverse indicators or variables that help to assess the levels at which employees are disposed to applying their capabilities to a given task. It also entails specific organizational issues that may negate the optimal application of human effort, skill, or capacity towards the achievement of set goals. In other words, it captures the deliberate aggregation of fluid communication pathways that facilitate the deliverables or performance of corporate entities. Also of relevance are the specific disciplinary measures and the requisite disciplinary structures which ought to serve as veritable platforms to ensure deterrence in cases of non-compliance with stipulated operational regulations These fundamental human resource management outcomes are usually driven by corporate policy and regulations whilst taking due cognizance of the prevailing industry or sector laws, codes, regulations, policies, as well as established customary practices (FRN, 2004; Kondalkar, 2007).

Nigeria's downstream petroleum sector provides a suitable setting to investigate probable effects that exist in relation to identified variables of corporate governance practices and the related human resource management outcomes. The downstream sector primarily represents the commercialization aspect of the petroleum industry, where revenue and profits begin to accrue to the investors. The character of this phase has provided the incentives for some organizations to maximize internal and regulatory gaps. Hence, the recurring efforts to fully deregulate the downstream sector to mitigate the effects of negative corporate practices and regulatory lapses (Anyadike, 2013). The assessment is further validated by the corporate governance and human resource issues within the sector. The issues are generally related but not exclusive to, accountability, profile of primary stakeholders, transparency, regulatory compliance, grievance procedures, employee engagement and commitment.

Nigeria's oil and gas industry is still largely dominated by foreign entrepreneurs. This situation has been linked to the dearth of manpower, capacity building, utilization of local human resources (Unam *et al.*, 2012) and the inability of the Nigerian government to assert full control and ownership rights over the oil resources (Soremekun, 2013). The volatility of international crude-oil market (Ebrahim *et al.*, 2014) provides an apparent incentive to optimize existing human capital over the long run. This should be geared towards ensuring the sustainable creation of value and wealth for all the stakeholders associated with the organizations operating in this sector. This outcome will be facilitated if reasonable integration can be achieved between corporate governance practices and human resources management outcomes. A lack of integration in this respect may potentially result in relatively poor board performance, employee mistrust in management, escalation of grievances and overall poor performance of the organization (A. E. Oyewunmi *et al.*, 2015; Wright, 2003).

2. STATEMENT OF PROBLEM

There is a significant level of emphasis on the importance of establishing a regime of best practices, good governance and optimizing human capacity utilization in the petroleum industry in general. However, notable incidences touching on accountability, in-appropriate corporate practices, non-compliance with the relevant regulations and codes are still manifesting in the corporate arena. Nigeria's oil and gas industry is characterized by apparent operational challenges and attendant regulatory inconsistencies (Ejiofor, 2014; Soremekun, 2013).

The situation persists in spite of the enduring call for increased compliance levels with the applicable laws, codes, regulations, and policies, enhanced appreciation of the corporate structure, adoption of more practical measures to address in-appropriate corporate practices and the attendant human resource management outcomes. In view of the contextual issues highlighted, this paper investigated the effects of corporate governance on employee commitment, employment contracts and disciplinary measures. It also brings to the light specific corporate governance and human resource management gaps within Nigeria's downstream petroleum sector.

2.1 Corporate governance and human resource management

The paper explored a plausible nexus between identifiable aspects or dimensions of corporate governance and human resource management relative to a given sector. Such connection can be construed in a limited and broad sense, depending on the specifics in focus. In this regard, corporate governance substantially refers to the composite of measures, affecting a matrix of economic stakeholders or otherwise, and that are all interested in the profitability and survival of the corporate entity. Hence, negative consequences are assured for many interests that are directly and indirectly connected with a corporate entity impaired by incidences of mal-governance. Instructively, corporate governance is better construed with due regard to contextual indicators, whilst by no means relegating best practices widely established as being beneficial to the multiple corporate interests. This outlook is prescriptive of the governance practices and related human resource management issues relative to the downstream petroleum companies in Nigeria. The perspective essentially emphasizes the need to achieve an effective balance on issues affecting identifiable stakeholders within this sector.

The corporate entity represents a convergence point relative to capital and labor and is an apt illustration of a symbiotic relationship. Thus, the functionality of the one is eroded, where the other is not duly accounted. Employees can influence governance through several avenues, these include nomination of members for board appointment, members' stock option and institution of retirement accounts. In addition, employees can also impact the governance process particularly in terms of their operating performance levels, which directly affects the performance evaluation of the governing board (Monks and Minow, 2004).

***H1**: There is no significant relationship between corporate governance practices and human resource management outcomes.*

2.2 The essence of human resource management

Over the years, researchers have captured the fundamentals of human resource management in various ways. However, there are certain basic assumptions as outlined by Heijltjes and Witteloostuijn (2003), such as the importance of people to organizational success, the goals of organizations and human resource management policies being mutually reinforcing, the personnel function being linked to decentralized units, and line management. Also pertinent is the importance of integrating components of human resource management within the organization governance structure.

The central theme of human resource management lies in the effective management of an organization's most valued asset. In effect, it entails the optimal utilization of different categories of people to facilitate the creation competitive advantage. Armstrong (2012) stated that human resource management focuses on the strategic management of people and a comprehensive perspective towards the delivery of mutually reinforcing workplace. Human resource management also pertains to issues related to employee commitment to the organization's mission and values, the perception and treatment of people as assets rather than costs and the adoption of an approach to employee relations that is unitarist rather than pluralistic.

2.3 Moderating function of employment contracts

An integral component of human resource management process is the designing and implementation of diverse implicit and explicit contracts among capital providers, corporate managers, workers, and other important stakeholders. It is important to expand the scope of the typical shareholder value focus to consider the design and implementation of contracts with other stakeholders, particularly employees and organized labor (Kim, 2009). In typical standard corporate finance discussion, an effective contract design is one that aims to maximize shareholder value while preventing expropriations of value by groups of stakeholders through excessive compensation or use of corporate resources for private benefit. However, it is appropriate to accommodate the corporate organization's contractual matters along with non-investor stakeholders, such as employees, in recognition of the broader meaning that has been attributed to concept of stakeholders, especially within corporate organizations that are characterized by defined governance structures and processes. The effectiveness of contracts in encouraging value-maximizing behaviour depends on the internal governance systems of individual companies as well as the political and legal institutions that interact with both internal and external governance mechanisms. Effective internal governance consists of features such as reliable disclosure practices, independent boards with accountability, careful alignment of managerial compensation with shareholder value and competitive wage structure (Kim, 2009).

***H_2**: Nature of employment contract does not moderate the effects of corporate governance practices on human resource management outcomes.*

2.4 Moderating function of grievance and disciplinary structure

Relative to the context of industrial relations and by extension human resource management, it can be argued that, the proper evaluation of organization's governance systems cannot be restricted to the aspect of corporate efficiency. Hence, other important welfare goals such as fairness in the workplace, opportunities for human capital development and engagement should be considered (Budd and Scoville, 2005). This outlook is in furtherance of the evolution and development of HRM practices linked to the robust economy of Europe in the 1900s (Roethlisberg and Dickson, 1939). The economy at the time precipitated an enabling environment for a renewed outlook on role of effective people management in the emerging labor market. Also, the fulfillment of certain conditions is integral to the promotion, maintenance and strengthening of the organizational disciplinary mechanism. These include, integration of a shared culture, inculcation of positive attitudes, broadening the threshold resolution of issues and assessing the feeling of satisfaction within the organization. However, grievances will still occur within an organization irrespective of the best efforts at mitigation within the organization's disciplinary framework.

H_3*: *Functional disciplinary and grievance structure does not moderate the effects of corporate governance practices on human resource management outcomes.

2.5 Contextual overview of Nigeria's oil and gas industry

The context of Nigeria's oil and gas industry is central to a fuller appreciation of the associated dynamics of the industry in terms of its creation and development (Ite *et al.*, 2013; Balouga, 2012). The character of Nigeria's oil and gas industry has been subjected to a myriad of debates (Burleigh, 2013; Tamuno and Felix, 2006). A perspective to this ongoing debate is that Nigeria cannot be rightly considered as having a petroleum industry (Soremekun, 2013). This argument is based on the premise that Nigeria has not effectively managed certain fundamentals associated with the industry to achieve substantive *resource control*. This conclusion is further amplified by comparing Nigeria's oil and gas industry to other similar jurisdictions on issues of accountability, transparency and maturity of underlying legal and fiscal frameworks (Sani and Hamidu, 2014). Crucial to this study is the identification of participants and stakeholders who are actively involved in developing the processes that ultimately define the nature and character of Nigeria's oil and gas industry. The well-established Principal-Agency Theory and the Stakeholder Theory (Freeman, 1984) recognize the role of multiple actors in the productive ventures. This implies the need for accountability and responsibility, subject to the internal structure and processes of the organization. In Nigeria's oil and gas sector, it may be argued that the stewardship of key actors has not translated to the delivery of reasonable value to a broad range of stakeholders (Ugbomeh and Atubi, 2010). This view is further advanced on the basis that the oil and gas industry is supposed to produce benefits for multiple stakeholders, such that if it fails in this regard, the very essence of the industry becomes eroded. It is noteworthy that the issue of dominance amongst the various interests has usually overshadowed the need to strike a fair balance. The divergent interests are exemplified in the dynamics amongst host communities, multinational corporations and the State. This situation reinforces the importance of deploying effective governance structures to regulate the internal processes of the organizations involved in downstream petroleum activities.

3. THEORETICAL FRAMEWORK

Firstly, the Stakeholder approach is relevant for the purposes of this paper as it affirms the widely-established perspective that the corporate the benefits attributable to the corporate entity are not the sole preserve of a category of interests. As a going concern, it has the capacity and propensity to accommodate legal interests subject to its registered objects. Thus, in as much as the diverse participants can align with corporate objects, they can be legitimately regarded as stakeholders within a larger framework of interests. However, the level of corporate remoteness will largely determine the definition and nature of one's stakeholdership rights relative to the corporate agenda (Sayre-McCord, 2000). In practical terms, the claim to stakeholder rights is based on negotiations, agreements, engagements and compliance on multiple levels amongst the identifiable parties.

Also of prime importance within the context of this study is the Human Capital Theory which emphasizes education and training as a source of capital. This theory reinforces the point that human capital should be treated as an ongoing investment that will contribute to identifiable organizational deliverables. It is contrast to the perception of investments in human capital as intangible costs (Psacharopoulos and Woodhall, 1997). The underlying issue is to consider such matters in specific respects. It is necessary to identify aspects of human resources management that can optimize corporate governance practices. A deliberate and consistent approach is required especially at the preliminary stages of the integration process. Also, an effective feedback mechanism is integral for effective appraisal as regard the corporate outcomes. For practical purposes, it is important for the selected theories to address specific dimensions of organizational governance, usually referred to as corporate governance. However, the sectorial variances or peculiarities will usually drive emphasis on certain aspects, subject to the institution, deployment and review of dynamics across different socio-economic contexts or operating environments. These theories are relevant for consideration toward the development of robust theoretical findings and establishment of further empirical studies relating to the governance of corporate entities.

4. METHODS

Research design

This paper assessed the effects of selected corporate governance practices on human resource management outcomes, relative to Nigeria's downstream petroleum sector. The descriptive approach was adopted.

Population

The population of this study consisted of employees in Nigeria's downstream petroleum sector. The sector comprises of eight major oil companies and independent oil marketers (Ombo, 2006). To achieve a practical analysis of the issues captured in this study, population was delimited to the managerial and non-managerial cadre of four oil and gas companies operating in Nigeria's downstream petroleum sector. The companies selected because of their established corporate management and employee profile, notable downstream presence and significant market-share. The selected companies jointly controlled a significant market-share of over 30% between 2015 and 2016.

Sampling technique

The purposive, non-probabilistic approach was adopted to target respondents with knowledge about the specific issues captured in the study. Sample was drawn from the management and employee cadres of the selected companies to elicit views on the interactions between specific indicators of corporate governance and human resource management.

Research instrument

Two structured questionnaires were designed to elicit information. The first questionnaire aggregated the views of the management cadre on the level of interaction between corporate governance indicators and human resource management outcomes. Items in the questionnaire focused on the nature and scope of corporate operations; communication of policies and codes on best practices; board capacity to create shareholder wealth; compliance mechanisms with industry codes, nature of board membership and feedback mechanism. The second questionnaire was aimed at investigating employees' views on identified corporate governance indicators and human resource management outcomes. Items determined the appreciation of the nature and scope of corporate operations; composition of employment contracts (accountability, expected performance, efficiency and compliance with industry codes); corporate engagement; corporate compliance with publication of annual reports and other statutory documents; feedback and contribution to decision making; board composition and employee extended tenure. The Cronbach alpha co-efficient for the research instruments were 0.726 and 0.842 respectively.

5. RESULTS

***H_1**: There is no significant relationship between corporate governance practices and human resource management outcomes.*

Table no. 1 – Correlation coefficient matrix

		Commitment	Contract	Engagement	Discipline	CGOV
Commitment	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	86				
Contract	Pearson Correlation	.183	1			
	Sig. (2-tailed)	.092				
	N	86	86			
Engagement	Pearson Correlation	.751**	.322**	1		
	Sig. (2-tailed)	.000	.003			
	N	86	86	86		
Discipline	Pearson Correlation	.716**	.139	.692**	1	
	Sig. (2-tailed)	.000	.202	.000		
	N	86	86	86	86	
CGOV	Pearson Correlation	.631**	.071	.631**	.578**	1
	Sig. (2-tailed)	.000	.516	.000	.000	
	N	86	86	86	86	86

***. Correlation is significant at the 0.01 level (2-tailed).*

The correlation coefficient matrix table above shows the nature of relationship that existed between human resource management outcomes (commitment, contract, engagement and discipline) and corporate governance practices (CGOV). There is a significant relationship between the identified corporate governance practices and human resource management outcomes. The results in Table no. 1 revealed that employee commitment (r-value = .631 and p-value = .000), employee engagement (r-value = .631 and p-value = .000) and functional grievance and disciplinary structure (r-value = .578 and p-value = .000) are significantly related to corporate governance practices but the significance of its relationship with employment contract (r-value = .071 and p-value = .516) could not be established.

***H_2**: Nature of employment contract does not moderate the effects of corporate governance on human resource management outcomes.*

Table no. 2 – Model Summary[d]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.754[a]	.568	.541	.60450	.568	21.057	5	80	.000	
2	.796[b]	**.634**	.606	.56039	.065	14.090	1	79	**.000**	
3	.833[c]	**.693**	.652	.52623	.060	**3.647**	4	75	**.009**	1.636

a. Predictors: (Constant), Corrective measures targeted at ensuring due financial disclosures, Name of organization, compliance with industry codes, Compliance with publication of other statutory documents, Compliance with publication of annual reports.

b. Predictors: (Constant), Corrective measures targeted at ensuring due financial disclosures, Name of organization, compliance with industry codes, Compliance with publication of other statutory documents, Compliance with publication of annual reports, contract

c. Predictors: (Constant), Corrective measures targeted at ensuring due financial disclosures, Name of organization, compliance with industry codes, Compliance with publication of other statutory documents, Compliance with publication of annual reports, contract, EC@FDIS, EC@CAR, EC@STADO, EC@CIC

d. Dependent Variable: HRMO

The model summary table (Table no. 2) shows how much of the variance in the dependent variable (human resource management outcomes) is explained by the models. However, to ascertain the moderating effects of nature of employment contract on the effects of corporate governance on human resource management outcomes, the third model was considered. In the third model the R square is .693, if expressed by a percentage is 69.3%. This means that the third model explains 69.3% of the variance in human resource management outcomes. It can also be observed from the table that the F change is 3.647 at sig. of F change of 0.009. The implication is that the contribution of nature of employment contract and its interactions with corporate governance practices when the effects of other variables have been removed is significant.

The ANOVA table (Table no. 3) shows that the corrective measures targeted at ensuring due financial disclosures, compliance with industry codes, compliance with publication of other statutory documents, compliance with publication of annual reports as well as their interactions with nature of employment contract make significant contributions to human resource management outcomes as indicated by F = 16.950, p-value < 0.0001. The implication is that the moderating model is significant.

Table no. 3 – ANOVA results[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	38.473	5	7.695	21.057	.000[b]
	Residual	29.234	80	.365		
	Total	67.707	85			
2	Regression	42.898	6	7.150	22.767	.000[c]
	Residual	24.809	79	.314		
	Total	67.707	85			
3	Regression	46.938	10	4.694	**16.950**	**.000[d]**
	Residual	20.769	75	.277		
	Total	67.707	85			

a. Dependent Variable: HRMO

b. Predictors: (Constant), Corrective measures targeted at ensuring due financial disclosures, Name of organization, compliance with industry codes, Compliance with publication of other statutory documents, Compliance with publication of annual reports.

c. Predictors: (Constant), Corrective measures targeted at ensuring due financial disclosures, Name of organization, compliance with industry codes, Compliance with publication of other statutory documents, Compliance with publication of annual reports, contract

d. Predictors: (Constant), Corrective measures targeted at ensuring due financial disclosures, Name of organization, compliance with industry codes, Compliance with publication of other statutory documents, Compliance with publication of annual reports, contract, EC@FDIS, EC@CAR, EC@STADO, EC@CIC

Table no. 4 – Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.636	.239		2.661	.009		
	Name of organization	.053	.059	.066	.896	.373	.985	1.015
	compliance with industry codes	.005	.062	.007	.084	.933	.714	1.400
	Compliance with publication of annual reports	.104	.080	.131	1.300	.197	.529	1.892
	Compliance with publication of other statutory documents	.263	.067	.370	3.914	.000	.602	1.660
	Corrective measures targeted at ensuring due financial disclosures	.291	.054	.440	5.416	.000	.816	1.225
2	(Constant)	-.068	.290		-.235	.815		
	compliance with industry codes	-.051	.059	-.071	-.856	.395	.669	1.494
	Compliance with publication of annual reports	.159	.075	.201	2.108	.038	.508	1.967
	Compliance with publication of other statutory documents	.225	.063	.317	3.560	.001	.587	1.705
	Corrective measures targeted at ensuring due financial disclosures	.309	.050	.467	6.172	.000	.809	1.236
	Contract	.435	.116	.267	3.754	.000	.920	1.087
3	(Constant)	2.129	.677		3.146	.002		
	Name of organization	.023	.053	.029	.433	.666	.938	1.066

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
compliance with industry codes	-.056	.254	-.078	-.219	.828	.032	30.887
Compliance with publication of annual reports	-.455	.312	-.576	-1.456	.150	.026	38.319
Compliance with publication of other statutory documents	-.038	.216	-.054	-.177	.860	.044	22.592
Corrective measures targeted at ensuring due financial disclosures	-.011	.190	-.017	-.058	.954	.049	20.232
Contract	-.697	.336	-.427	-2.073	.042	.096	10.397
EC@CIC	**.007**	.126	**.023**	**.056**	**.955**	.025	39.546
EC@STADO	**.127**	.112	**.380**	**1.131**	**.262**	.036	27.610
EC@FDIS	**.154**	.101	**.482**	**1.534**	**.129**	.041	24.187
EC@CAR	**.344**	.162	**.871**	**2.125**	**.037**	.024	41.075

a. Dependent Variable: HRMO

Table no. 4 reveals that there is no significant relationship between compliance with industry code@nature of employment contract (β = 0.023; t-value = .056; p-value = .955) and human resource management outcomes. It was also discovered that compliance with publication of other statutory documents@ nature of employment contract (β = .0.380; t-value = 1.131; p-value = 0.262) is not significantly related to human resource management outcomes. Corrective measure targeted at ensuring due financial disclosure@ nature of employment contract (β = .0.482; t-value = 1.534; p-value = 0.129) has insignificant relationship with human resource management outcomes. Moreover, interaction between compliance with publication of annual report and employment contract is significantly related to human resource management outcomes (β = .871; t-value = 2.125; p-value = 0.037). Since the moderating model is significant, the alternate hypothesis is accepted. The implication of this result is that the nature of employment contract moderates the effects of corporate governance practices on human resource management outcomes.

***H_3**: Functional disciplinary and grievance structure within an organization does not moderate the effects of corporate governance practices on human resource management outcomes.*

The model summary table (Table no. 5) shows how much of the variance in the dependent variable (human resource management outcomes) is explained by the models. To ascertain the moderating effect of functional disciplinary and grievance structure within an organization on the effects of corporate governance practices on human resource management outcomes, the third model was considered. In the third model, the R square change is .082, if expressed by a percentage is 8.2%. This means that the third model explains 8.2% of the variance in human resource management outcomes. It can also be seen from the table that the F change is 7.073 @ sig. of F change of 0.0001. The implication is that the contribution of functional disciplinary and grievance structure within an organization, its interactions with corporate governance practices, and particularly when the effects of other variables have been removed, is significant.

Table no. 5 – Model Summary[d]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.751[a]	.564	.542	.60376	.564	26.184	4	81	.000	
2	.836[b]	.699	.680	.50493	.135	35.814	1	80	.000	
3	.883[c]	.780	.754	.44223	.082	7.073	4	76	.000	1.892

a. Predictors: (Constant), Corrective measures targeted at ensuring due financial disclosures, compliance with industry codes, Compliance with publication of other statutory documents, Compliance with publication of annual reports.
b. Predictors: (Constant), Corrective measures targeted at ensuring due financial disclosures, compliance with industry codes, Compliance with publication of other statutory documents, Compliance with publication of annual reports, discipline
c. Predictors: (Constant), Corrective measures targeted at ensuring due financial disclosures, compliance with industry codes, Compliance with publication of other statutory documents, Compliance with publication of annual reports, discipline, DIS@FDIS, DIS@CAR, DIS@CIC, DIS@STDO
d. Dependent Variable: HRMO

Table no. 6 – ANOVA results[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	38.180	4	9.545	26.184	.000[b]
	Residual	29.527	81	.365		
	Total	67.707	85			
2	Regression	47.311	5	9.462	37.114	.000[c]
	Residual	20.396	80	.255		
	Total	67.707	85			
3	Regression	52.844	9	5.872	30.023	.000[d]
	Residual	14.863	76	.196		
	Total	67.707	85			

a. Dependent Variable: HRMO
b. Predictors: (Constant), corrective measures targeted at ensuring due financial disclosures, compliance with industry codes, compliance with publication of other statutory documents, compliance with publication of annual reports.
c. Predictors: (Constant), corrective measures targeted at ensuring due financial disclosures, compliance with industry codes, compliance with publication of other statutory documents, compliance with publication of annual reports, discipline
d. Predictors: (Constant), corrective measures targeted at ensuring due financial disclosures, compliance with industry codes, compliance with publication of other statutory documents, compliance with publication of annual reports, discipline, DIS@FDIS, DIS@CAR, DIS@CIC, DIS@STDO

The ANOVA table (Table no. 6) shows that the corporate governance practices such as corrective measures targeted at ensuring due financial disclosures, compliance with industry codes, compliance with publication of other statutory documents, compliance with publication of annual reports and their interactions with availability of functional disciplinary and grievance structure make significant contributions to human resource management outcomes ($F = 30.023$, p-value < 0.0001).

Table no. 7 – Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	Collinearity Statistics VIF
1	(Constant)	.769	.187		4.102	.000		
	Compliance with industry codes	.001	.062	.001	.015	.988	.719	1.391
	Compliance with publication of annual reports	.111	.079	.141	1.402	.165	.534	1.872
	Compliance with publication of other statutory documents	.263	.067	.370	3.914	.000	.602	1.660
	Corrective measures targeted at ensuring due financial disclosures	.289	.054	.437	5.390	.000	.818	1.223
2	(Constant)	.652	.158		4.126	.000		
	Compliance with industry codes	.046	.052	.064	.874	.385	.704	1.421
	Compliance with publication of annual reports	-.015	.070	-.019	-.210	.834	.485	2.060
	Compliance with publication of other statutory documents	.167	.058	.234	2.848	.006	.557	1.797
	Corrective measures targeted at ensuring due financial disclosures	.192	.048	.290	4.012	.000	.722	1.385
	Discipline	.322	.054	.488	5.984	.000	.566	1.766
3	(Constant)	2.132	.331		6.435	.000		
	Compliance with industry codes	-.037	.096	-.051	-.383	.703	.160	6.231
	Compliance with publication of annual reports	-.182	.106	-.231	-1.714	.091	.159	6.292
	Compliance with publication of other statutory documents	.029	.116	.041	.253	.801	.108	9.228
	Corrective measures targeted at ensuring due financial disclosures	-.060	.080	-.090	-.743	.460	.195	5.122
	Discipline	-.424	.157	-.642	-2.694	.009	.051	19.673
	DIS@CIC	.038	.044	.202	.854	.396	.051	19.457
	DIS@CAR	.099	.040	.568	2.497	.015	.056	17.933
	DIS@STDO	.045	.043	.284	1.046	.299	.039	25.483
	DIS@FDIS	.099	.031	.712	3.236	.002	.060	16.743

a. Dependent Variable: HRMO

From Table no. 7, there is no significant relationship between compliance with industry code@functional disciplinary and grievance structure (β = .202; t-value = .854; p-value = .396) and human resource management outcomes. It was also discovered that compliance with publication of other statutory documents@functional disciplinary and grievance structure (β = .284; t-value = 1.046; p-value = .299) is not significantly related to human resource management outcomes. Corrective measures targeted at ensuring due financial disclosure@functional disciplinary and grievance structure (β = .712; t-value =

3.236; p-value = .002) has no significant relationship with human resource management outcomes. Moreover, the interaction between compliance with publication of annual report and functional disciplinary and grievance structure is significantly related to human resource management outcomes (β = .568; t-value = 2.497; p-value = .015). Since the moderating model is significant, the alternate hypothesis is accepted. The implication of this result is that functional disciplinary and grievance structure moderates the effects of corporate governance on human resource management outcomes.

6. DISCUSSION OF FINDINGS

The first hypothesis which states that there is no significant relationship between corporate governance practices and human resource management outcomes was rejected. The correlation analysis conducted established the fact that employees' commitment, employees' engagement, as well as functional grievance and disciplinary structure within an organization were significantly related to corporate governance practices.

For the second hypothesis, the significance of relationship between the nature of employment contract and corporate governance practices could not be established. The implication of this is that human resource managers have significant roles to play in promoting compliance of corporate governance. On the other hand, corporate governance could help in enhancing human resource outcomes such as employees' commitment. The study established that integration of corporate governance practices could be improved with the adoption of appropriate employee engagement strategies. The required communication channels should also be fluid and adaptable to the corporate goals (Brown *et al.*, 2004).

The third hypothesis sought to examine the moderating effect of functional disciplinary and grievance structure within an organization on the effect of corporate governance on specific human resource management outcomes. Findings established a significant relationship between functional disciplinary and grievance structure and the corporate governance compliance practices. Thus, findings of the study affirmed that functional disciplinary and grievance structure within an organization moderates the effects of corporate governance on other human resource management outcomes. In other words, there is significant variance in the outcomes of organizations with institutionalized functional disciplinary and grievance structures, as opposed to those where such structures are not functional or do not exist. These findings further supported the efficacy of disciplinary and grievance resolution structure as established in the extant literature (Kondalkar, 2007).

7. CONCLUSION AND RECOMMENDATIONS

The objective of the paper was achieved as it found that identifiable corporate governance practices had significant effects on human resource management outcomes. Also, disciplinary measures were not significantly related to regulatory compliance. The findings have established the relevance of corporate governance in Nigeria's downstream petroleum sector. It is therefore necessary that all the firms within the sector should continue to adopt corporate governance codes in their day to day activities. In addition, the global competitiveness of the sector hinges on effective management of human resources, which would culminate in satisfaction, commitment, enhanced engagement and loyalty of employees.

The relevant governmental agencies should be enabled to consistently perform regulatory, facilitating and participatory roles to foster an enabling operating environment.

This will contribute to firm competitiveness in the domestic and global marketplace. It is also important to revisit applicable regulations to minimize areas of overlap and ensure higher levels of compliance. The usual manifestation of the volatility of the international oil prices further reinforces the need to ensure reasonable compliance by all the primary stakeholders in the industry. As the downstream sector is evolving, the practicality of existing laws should be appraised to prevent obsolescence. This serves as a good starting point to ensure that reasonable parameters are defined to regulate wealth creation and distribution.

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