



# Employee Dynamic Capability and Organizational Adaptation of Selected Oil and Gas Firms in Warri, Delta State

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## ABSTRACT

*The study examined the effect of employee dynamic capability on organizational adaptation of selected oil and gas firms in Warri, Delta State. This study used a descriptive survey design. A total population of 251 employees of the selected oil and gas firms in Warri, Delta State were used for the study. The study used the stratified sampling technique. The research instrument used in this study is a structured questionnaire. Data collected from the field survey were analyzed using descriptive statistics, correlation and multiple regressions. Findings showed that sensing capability ( $\beta = 0.196, P < 0.05$ ), learning capability ( $\beta = 0.524, P < 0.05$ ), reconfiguration capability ( $\beta = 0.313, P < 0.05$ ) have positive effect on organizational adaptation of selected oil and gas firms. Findings showed that the dimensions of employee dynamic capability explained 58% of the variability in organizational adaptation. Based on the findings, the study concluded that, the use of employee dynamic capability-related practices in corporate settings is expected to enhance adaptability of the firms operating in the oil and gas industry and improve their strategic planning. The study recommended that, managers need to pay attention to acquisition of new knowledge and integrate it into the existing structures through learning capability, create new capabilities, rebuild resources and organizational structures to address the environmental turbulence through reconfiguration capability, to achieve superior organizational adaptations.*

**Keywords:** Employee Dynamic Capability, Sensing Capability, Learning Capability, Reconfiguration Capability And Organizational Adaptation

## I. INTRODUCTION

The current business world is highly affected by the global changes, organizations faces tremendous challenges to sustain their business in a highly competitive world. Maintaining and providing an innovative climate has gained a major attention among all the organization. For organizations to be sustained in the rapidly changing business environment, they must build up their skills, abilities and human resources capabilities in other to create an innovative climate. Changes in the business environment leads to creation of new capabilities and employees' capabilities differ from firm to firm based on the nature of business and change implementation. Employee capability refers to the skills, knowledge, and competencies that an individual possesses in the work place. It encompasses the ability of an employee to perform their effectively, contribute to the organization's goals, and adapt to changing work requirements. These includes both technical skills related to the specific job and soft skills such as communication, problem-solving, and teamwork.

Employee dynamic capability would imply the capability of employees to adapt, learn, evolve within a rapidly changing work environment. It involves not only possessing current skills, but also having the ability to acquire new demands, and contribute effectively to the organization's overall adaptability. Employees with strong dynamic capabilities can navigate shifts in technology, market trends, and organizational priorities, making them valuable assets in a dynamic and evolving workplace. The business environment today is characterized by constant changes, unpredicted activities and continuous progress which implies a



state of flux and turbulent movement. Organizations that encourage continuous learning and growth mindset, would most likely foster employee dynamic capability, therefore, there is need for organizations to constantly invest in training and development programs to enhance employee capabilities and ensure they align with the company's objectives.

Organizational adaptation refers to an organization's ability to adjust, evolve, and strive in response to the changes in its external environment. This includes adapting to shifts in market conditions, technological advancements, regulatory changes, or any other factors that impact the organization. Successful organizational adaptation involves not only reacting to changes, but also proactively anticipating and preparing for them. It often requires strategic planning, flexibility, innovation, and willingness to embrace new approaches. Organizations that can effectively adapt are better positioned to remain competitive and achieve long-term success in a dynamic and ever-changing business landscape. This research looks into the role of employee dynamic capabilities (sensing capability, learning capability and reconfiguration capability) in influencing the adaptive strategies of firms in the ever-changing dynamics of the oil and gas sector.

The dynamic characteristic of these capabilities entails permanent adaptability and flexibility of organization and its management to internal and external changes over time by continuous interaction with direct and broader environment, assuming a proactive role in sensing and seizing the opportunities to make timely product or process adjustments, while building the ability to reconfigure resources in accordance with changing environmental demands for the ultimate purpose of enhancing overall organizational efficiency and creating sustainable competitive advantages. Thus, management dynamic capabilities which are developed to ensure continuous innovation and adaptation with environmental changes would eventually raise management performance or maintain it at a certain (desirable) level (Salehi Dolatabad & Raei Koozekonan, 2021).

Dynamic capabilities enable companies to adapt to a rapidly changing and risky environment by responding swiftly and nimbly. This is because dynamic capabilities create the ability to innovate and adapt to changing environments (Teece & Leih, 2016). Considering the rapid development in the automotive sector, companies must have good dynamic capabilities, and this must be supported by the company's resources, human resources and other

resources owned by the company. It is difficult for companies to be able to survive in situations of intense competition in the traditional way. Many physical assets, the amount of investment can no longer guarantee the success of the company. Where the company's ability to manage intangible assets is far more important than just managing the physical assets they have.

According to Schilke (2014: 179), 'the dynamic capabilities perspective has been criticized for its confounding discussion of the effect of dynamic capabilities.' What deteriorates the theoretical confusion is that dynamic capabilities studies 'mainly focus on theoretical development, and empirical research lagged' (Danneels, 2016). Empirical research for mediating mechanisms is more scarce. The only notable exception is Protopogou, Caloghirou, and Lioukas (2012), who propose and empirically test that a mediating model of dynamic capabilities improves firm adaptation through operational capabilities. Their study, however, appears tautological in the sense that dynamic capabilities are defined to govern the rate of change of operational capabilities (Winter, 2013). Other empirical work explores the contingent effect of dynamic capabilities and firm performance relationship (Danneels, 2012; Wilden, Gudergan, Nielsen, & Lings, 2013; Schilke, 2014). The objective is to empirically test the mediating mechanism between employee dynamic capabilities and firm adaptation.

### **Problem Statement**

In Nigeria, the battle for control of the oil and gas sector has intensified as both foreign and local megastores roll out expansion plans. The sector has encountered collapse as a result of poor availability of infrastructure and consistent policies which has been dominant in the last few years. This continues to cause anxiety and lost confidence amongst lenders and suppliers in the industry given the loss of revenue, job opportunities and market for suppliers occasioned by the persistent determination of the sector over the years. Consequently, employee dynamic capability is one of the biggest focus for organizations to retain their top talent and increase the level of talent retention, enhances their climate innovativeness, so that the employees can feel more comfortable and satisfied to work in the organization. Before organizations decide to deploy any new practice in the system, the management must have provided platforms to enhance employees' knowledge and skills through various learning programs, to make employees feel more comfortable. Many organizations are keen to



provide innovative practices to their employees without accessing their knowledge and learning level, at that point employees feel sense of dissatisfaction and start shifting to their level of suitable jobs. It is therefore expected that any new practice in the organization should require a proper learning platform to ensure that employees are aware of the new practices in the organization, for employees to remain comfortable and satisfied.

Despite the recognized importance of dynamic capabilities for organizational success, there is still a gap in the literature regarding how some specific aspects of employee dynamic capability contribute to a firm's adaptive capacity. Therefore, the study examined the effect of employee dynamic capability on organizational adaptation of selected oil and gas firms in Warri Delta State.

### **Research Objectives**

The main objective of this study is to examine the effect of employee dynamic capability on organizational adaptation of selected oil and gas firms in Warri Delta State. The specific objectives are to:

- i. examine the effect of sensing capability on organizational adaptation of selected oil and gas firms in Warri Delta State
- ii. evaluate the effect of learning capability on organizational adaptation of selected oil and gas firms in Warri Delta State
- iii. ascertain the effect of reconfiguration capability on organizational adaptation of selected oil and gas firms in Warri Delta State

### **Statement of Hypotheses**

The following null hypotheses will guide the research objectives

- 1: sensing capability does not have significant effect on organizational adaptation of selected oil and gas firms in Warri, Delta State
- 2: learning capability does not have significant effect on organizational adaptation of selected oil and gas firms in Warri, Delta State
- 3: reconfiguration capability does not have significant effect on organizational adaptation of selected oil and gas firms in Warri, Delta State

## **II. REVIEW OF RELATED LITERATURE**

### **Concept of Dynamic Capabilities**

The concept of dynamic capabilities has emanated from the resource-based view (RBV) for its ability to meet rapid environmental changes (Teece, 2007). Since the initial introduction of the

concept by (Teece et al., 2007) is gaining greater attention in the literature. He defines dynamic capabilities as a firm's ability to integrate, build and reconfigure internal and external competencies to address rapidly changing environments. Further, Eisenhardt and Martin (2020) describe dynamic capabilities as a set of specific and identifiable processes such as product development, strategic decision making, and alienating. Employee dynamic capabilities are distinctive in their details and path dependent on their emergence; they have significant commonalities across firms (Zollo & Winter, 2012) define dynamic capabilities as a learned and stable collective processes enable organization systematically creates and modifies its operational activities in order to improve effectiveness (Zahra & George, 2012) state that dynamic capabilities are basically changing-oriented capabilities that enable firms to renew and reconfigure their resource base to meet evolving customer demands and competitor strategies.

Dynamic capabilities involve the processes required for recognition of new opportunities and harmonization of group of related organizations, given the changing circumstances (Ellonen, 2009). Much effort has been made through optimization research (or benchmarking research programs) on employee development, especially for senior staff that seems to have more influence over organization strategy and performance. These efforts have yielded three general categories of dynamic capabilities in organizations and their administrators: (1) sensing capability, (2) seizing capability, and (3) reconfiguration capability.

More recent Rao (2016) describes dynamic capabilities as firm's capability to manage alliances, learn, integrate and reconfigure resource base to address the changing business conditions. The literature discussed on dynamic capabilities is confused with discrepancies and overlapping definitions. Several scholars suggest to better understand the nature of dynamic capabilities is distinguish between dynamic and operational capabilities. Helfat et al., (2017) distinguish between dynamic and operational capabilities. They state that operational capabilities firm ability to perform their everyday functional activities, while dynamic capabilities are used to maintain the current status. (Teece, 2017) explains that operational capabilities are organizations ability to maintain its technical competences by ensuring the efficiency of its operational activities, while dynamic capabilities help a firm's to sustain evolutionary competences by enabling the build, renewal, and reconfiguration of its resource base, thereby achieve sustainable



competitive advantage. In results, employee dynamic capabilities are organization's cumulative capacity enabling the creation, extension, and modification of its operational capabilities systematically (Protogerou et al., 2011). The dynamic capabilities in the universities context play a vital role in building capacity to respond to social needs, efficiency, effectiveness, and quality. An environmental changes and greater social demands are forcing universities to implement a process of change that requires continuous improvement and the creation of dynamic capabilities (Gallardo & Navarro, 2023). In the rapidly changing educational circumstances, educational leadership needs to develop dynamic capabilities by integrating and reconfiguring their internal and external resources and competencies to address environmental changes (Johara, 2018).

Employee dynamic capability contributes to firm's adaptation. The impact of employee's dynamic capabilities on firm's adaptation has been an attractive issue among scholars. However, the way employee dynamic capability affect firm's adaptation is still under investigation. Also, the empirical studies on this linkage are limited. Helfat and Peteraf, (2019) argue that employee dynamic capabilities do not directly affect organizational adaptation and performance. They affect organizational adaptation and performance indirectly by integrating and reconfiguring resources to address the environmental turbulence or to create internal and external change (Eisenhardt & Martin, 2000; López, 2015). Dynamic capabilities create and define the firm's individual resource configuration, which shapes the firm's competitiveness and therefore performance (Galunic & Eisenhardt, 2021). Dynamic capabilities are the key to adoption to the competitive intensity and strive for survival that leads to enhancing the effectiveness of organizational performance (Wilden et al., 2013).

Dynamic capabilities improve the effectiveness, speed, and efficiency of organizational responses to environmental requirements and, in turn, essentially support superior performance (Chmielewski & Paladino, 2017). Also, dynamic capabilities i.e. sensing, learning and reconfiguration may be able to support make decisions within the organization which has the potential to enhance organizational effectiveness and performance (Eisenhardt & Martin, 2010; Teece, 2017). Zollo and Winter, (2012) state that dynamic capabilities enable organizations to acclimate their operating routines constantly to changing environmental turbulence, and allowing

them to improve their operating routines performance and survival in competition. Likewise, (Schreyögg & Kliesch-Eberl, 2017) argue that dynamic capabilities may enhance the effectiveness of operating routines by enabling firms to better seize opportunities and overcome threats over their competitors. Dynamic capabilities may influence organizational effectiveness and performance through employing sensing capability, organizations may detect new and technically significant opportunities, discover the shifts of suppliers and competitors, and identify risks in a timely manner (Wilhelm et al., 2015). By using learning capability, organizations can generate new knowledge; thus, to restore operational capabilities with new knowledge, in turn, achieve better operating-routine goals (Helfat et al., 2017).

Finally, by employing reconfiguring capability enable organizations to discard, modify, or rebuild in order to adjust their operating routines to new conditions (Teece et al., 2017). In sum, dynamic capabilities contribute to organizational effectiveness through an effective modification of existing operating routines, enabling the organization to adopt environmental changes by way of sensing environmental conditions, learning response patterns and reconfiguring operating routines. Therefore, use dynamic capabilities enhance organizational effectiveness and performance. The impact of dynamic capabilities on organizational effectiveness and performance depends on the organizational context. Both the internal and external contexts are significant in the understanding effect of dynamic capabilities. Internal fit describes the congruent between dynamic capabilities and organizational structure, and external fit, characterized in matching dynamic capabilities and levels of competitive intensity, represent to fundamental requirements that support the role of dynamic capabilities in affecting organizational effectiveness and performance (Wilden et al., 2013). Dynamic capabilities are a multidimensional construct of interrelated and complementary dimensions (Barreto, 2010; Teece, 2017). In order to explore in an integrated way, the impact of dynamic capabilities on organizational effectiveness this study determined the dynamic capabilities in three measured dimensions: sensing capability, learning capability, and reconfiguration capability. Sensing capability measures the organization's ability to recognize shifts in the environment to discover opportunities that could impact the organization's business. Learning capability measures the organization's ability to create internal knowledge, to acquire external



knowledge, and to assimilate internal and external knowledge through knowledge sharing. Reconfiguration capability measures the organization's ability to create new capabilities, reconfigure assets and organizational structures to address the markets and technologies changes.

### **Sensing Capability**

The rapid changes in environment and market, that make the challenge to predict and recognize the paths of future development. New idea, information and knowledge may create opportunities for development. Therefore, sensing capability is firm's ability to constantly scan, search, and explore opportunities across technologies and markets (Teece, 2017). Likewise, (R. M. Henderson & Clark, 1990) describe sensing capability as the firm's ability to discover new opportunities, scan environment, response to competitive strategies and evaluates the competitive position. The firm must have the capability to reconfigure its resource base by sensing the shifts in the environment effectively and respond accordingly that enable the firm to achieve a sustainable competitive advantage (Rehman & Saeed, 2015). The sensing capability also involves a better understanding of the latent demand, evaluates of industries and markets, and the likely responses of suppliers and competitors. When firms discover a new opportunity, sensing capability not only help firms to understand which technologies should be explored but also enable them to detect which market segments should be targeted (Teece et al., 2017). Sensing capability comprises of three basic processes: First, generates market information, as it relates to the identification of customer needs, respond to marketing trends and identify market opportunities. Second, interpret the gathered market information. Third, responding to market information (Day, 2011; Janssen et al., 2015).

Sensing capability is an initial element of dynamic capabilities, as it is the point where a possible need or opportunity to build, extend or modify existing capabilities are identified based on changes in the internal and external business environment or if the organization can address the changes based on the current capability endowment (Capron & Mitchell, 2019). Sensing, thus, relates to both the firm's capability to recognize changes in the external environment that could affect the organization's business and the ability to identify to what extent the organization might respond with its current capability endowment, or to what extent the development of new capabilities is necessary (Barreto, 2010). In such way, the sensing capability

in educational organizations comprises of external dimensions (environment) and internal dimensions (institution performance) assessment to analytically filter, shape, sense and calibrate the opportunities. Collaboration readiness, learning, and training (analytical skills and individual capacities), performance assessment and environmental assessment also help to capture or sense the opportunity (Labanauske & Nedzinskas, 2017). Sensing capability refers to universities' ability to detect opportunities in the internal and external environment (Gratton & Ghoshal, 2015).

### **Learning Capability**

Learning capability refers to the firm ability to generate internal knowledge, to acquire external knowledge, and to integrate internal and external knowledge through knowledge sharing (Zahra & George, 2002). The notion of learning is the ability to quickly acquiring or creating specific knowledge necessary to seize the identified opportunities (Eisenhardt & Martin, 2020). To seize opportunities firms, need to implement interrelated strategic choices and investment decisions. In order to make significant decisions to address opportunities and threats, it is necessary that firms reach a new state of knowledge in order to understand the alternatives at hand and the interrelatedness of the factors involved (Teece, 2017). Learning capability focuses on the use of market information to generate new knowledge; thus, it is the ability to restore operational capabilities with new knowledge (Kindström et al., 2013). Learning capability refers to the firm's ability to ensure the efficiency and effectiveness of its operational activities by acquiring, changing and reconfiguring resources in cope with environmental changes (Lavie, 2016). Learning capability composes four basic abilities: first, the ability to acquire knowledge, as it relates to acquiring new knowledge. Second, the ability to realize knowledge as it relates to the clarification of knowledge. Third, the ability to transform knowledge, as it relates to creativity in problem-solving, brainstorming, and creative thinking. Fourth, the ability to use knowledge, as it relates to the practice of new initiatives and seizes opportunities in addition to the renewal of operational capabilities (Li & Liu, 2014).

Learning capability provides a process through which a firm learns to complete the tasks effectively. Learning exists when somewhat transform in the organizational activities, meant to sustain or increase performance. The organizational learning procedure comprises the acquisition, distribution, and utilization of information, thus



closely related to innovation performance (Alegre & Chiva, 2018). Organizational learning discusses “the capabilities of the workers in a firm, engaging the operational process of acquiring, distributing, explaining, and transforming information into knowledge practices and innovation adoption. Organizational learning also explains the capacity (or processes) within an organization to maintain or improve performance. Based on experience involving “knowledge acquisition (the development or creation of skills, insights, relationships), knowledge sharing (the dissemination to others of what has been acquired by some). The knowledge utilization (integration of the learning so that it is assimilated, broadly available, and can also be generalized to new situations); that enhances the organizational performance and innovation” (Spicer & Sadler-Smith, 2016).

The technological adoption and innovation performance practices currently represent one of the essential elements of organizational innovative practices and capabilities (Coccia, 2017), which supports the business's effectiveness during challenging periods in the industry. The firm's organizational learning capability remains essential to determine success while using information technology adoption to improve innovation performance (Mandinach & Cline, 2013). Organizational learning measures the significance of “intangible resource,” providing the firm a unique advantage that other firms cannot copy and imitate easily.

### **Reconfiguration Capability**

A key to sustaining long-term competitive advantage is necessary for an organization to recombine and to reconfigure assets and organizational structures to cope with the change of the markets and technologies. Furthermore, to sustain superior firm performance the enterprise has to develop corporate culture, design reward systems and retain committed talent (Teece, 2007). Reconfiguration capability involves activities such as redeploying and recombining resources thus, reconfiguration capability enhances continuous development and can also become a mechanism for firms to acquire new resources and seize innovation benefits (Karim & Capron, 2016). Reconfiguration capability refers to the recombination and transformation of existing resources that enable the firm's to address the changes in market conditions (Teece et al., 2017).

Reconfiguration capability includes two basic processes: first, create capabilities which can be built internally or can be acquired from external

sources. Building capabilities internally relate to the transformation of existing capabilities, i.e. to change the form, shape, or appearance of capabilities existing within the firm (Carlile, 2014). Acquiring capabilities refers to gain capabilities from outside sources, e.g. licensing, purchasing contracts, alliancing, mergers and acquisitions of firms or parts of firm (Capron & Mitchell, 2019; Lavie, 2016). Second, integrate capabilities refers to an engaging, connecting and linking of new capabilities into the organization with existing resources and capabilities (Iansiti & Clark, 1994; Teece et al., 2017). Therefore, the reconfiguration capability enables the firm to discard, modify, or rebuild organizational routines and practices in order to make operations more efficient and effective and, in turn, enhance the organizational effectiveness. In such a way, the key to the educational organization's successful effectiveness and performance depends on its ability to demonstrate effective leadership and implement appropriate governance for transformation. Also, the flexibility of business models, reconfigure assets, and routines and organizational structures ensure the superior performance and effectiveness.

In order to sustain profitable adaptation, it is important for a company to recombine and to reconfigure assets and organizational structures when markets and technologies change. Knowledge and resources may depreciate over time, and it may lead to the lack of cumulative benefits from prior experiences (Sampson, 2015). Reconfiguration capability does not only support firms to maintain evolutionary fitness but also provide the possibility for them to escape from unfavorable path dependencies when it is necessary (Teece, 2017). Reconfiguration capability includes activities in which firms engage when adding, redeploying, recombining, or divesting resources or business units (Karim & Capron, 2016). Organizational reconfiguration capability facilitates continuous evolution and can also become a mechanism for firms to obtain novel resources and capture innovation benefits. We believe that organizational reconfiguration capability could enhance both technology innovation and market innovation. In terms of the technological innovation, the intra-organizational knowledge exchange could be stimulated and the existing tacit knowledge could be externalized and distributed in the company via redeploying human resources and restructuring business units (Nonaka, 1994).

Galunic and Rodan (2018) have pointed out that knowledge tacitness and context specificity have important consequences on the likelihoods of innovation. It is also proved that the deployment of



firm-specific knowledge requires specific settings. Employees who hold the key knowledge may be reluctant to make specialized human capital investments when they are deployed inappropriately (Wang, He, & Mahoney, 2019). To some extent, older firms or firms with more experiences can develop and understand their technological domains and recognize optimal conditions for recombination (Zahra & George, 2002; Kotha, Zheng, & George, 2021). Therefore, reconfiguration activities could improve organizational adaptation towards technology.

This study examined employee dynamic capability on organizational adaptation to understand how to build employee dynamic capabilities in order to retain the talented employees in the organization firm must build its capabilities and adapt to external environment.

### **Sensing Capability and Organizational Adaptation**

The sensing capability has been recognized as one of the vital components of dynamic capabilities to enhance sustainable organizational adaptation. It is defined as an organization's capability to identify, interpret, and pursue innovative opportunities in its business environment as well as the ability to resist innovative threats (Teece, 2017). For example, through sensing capability, organizations can continuously analyze their strength and weakness, which compels them to innovate their products and processes to reduce the negative impact of threats posed by their key competitors. Similarly, Chatwani (2019) argues that a relationship exists between strategic planning intensity and sensing capability. However, few empirical investigations have examined the moderating effect of sensing capability (Zahra & George, 2002; Kotha, Zheng, & George, 2021). Besides the main effect, this study examines the moderating effect of sensing capability on the relationship between strategic planning intensity and innovation performance.

### **Learning Capability and Organizational Adaptation**

Learning capability as the source of knowledge creation and knowledge as a unique, inimitable and infinite resource (Kocoglu, et al., 2021), is emphasized as an important factor for realizing organization's competitive advantages. It is also considered as a key factor for gaining a sustainable competitive advantage and enhanced organization adaptation (Martínez-Costa & Jiménez-Jiménez, 2019). Previous study that examined the

effects of collaboration and team learning, continuous learning, inquiry and dialogue, empowerment of people, connection of organization to its environment and the support of leadership on the financial measurement of adaptation demonstrated that the relationship between organizational learning practices and organization's financial adaptation are positively linked (Ellinger, et al., 2012).

Furthermore, it is stated that knowledge creation through generative learning that creates core competency, develops flexible strategy by questioning the ineffective strategy, realizes the innovative disruptions as customer satisfaction maximization tool rather than customer feedback are some of direct and positive influences of learning (Baker & Sinkula, 2019). The impact of organizational learning on organization adaptation is further indicated by (Martínez-Costa & Jiménez-Jiménez, 2019). It is argued that organizations better at learning get a better chance of sensing events and trends in marketplace which will in turn lead to better sales and increased market share, flexible and responsive structure that responds new challenges faster than the competitors, and fast improvement of market information processing activities. Consistent with this (Chaveerug & Ussahawanitchakit, 2018) claimed that the greater commitment to learning, the more likely that organizations will achieve higher organizational adaptation. Similarly, studies by (Kocoglu, et al., 2011; Onağ, et al., 2014) consolidated that organizational learning capability enhances organization adaptation.

### **Reconfiguration Capability and Organizational Adaptation**

Change is the lifelong practice of organizations, changes in the organizations take place to increase productivity, by using good strategic plan, which helps the organization to be more efficient and innovative, (Wachira & Anyieni, 2017). Organizational change is the process of changing an existing organization or transition of an organization from one state to another by modifying structure, work activities, technology, and goal of the organization in response to external or internal pressures. employee restructuring or reconfiguration seems to have become a way of life and a feature of many organizations. Reconfiguration is an act of reorganizing the legal, ownership, operational or other structures of the organization to make it more profitable and better organized for its present needs. Reconfiguration is a crucial strategy to remain competitive in the business world. Reconfiguration capability is a process that organizations properly



split, clustered, and coordinate their jobs and tasks (Avdelidou-Fischer, 2015). Reconfiguration is strategically a rearrangement to attain the objectives, vision and mission of the organization. The causes of organizational restructuring can be needed to reduce organizational costs, increase productivity due to declining sales, falling stock, and capital market situations, to improve poor financial performance unbalanced staffing, changes in the business environment, inconsistent or fragmented communications, due to excess production capacity of goods or services, due to customers preferences, technology, the need for new skills, capabilities and turnover and overall competitiveness; these will be the driving force for organizational change. Euro found (2017) stated that mergers, internal reorganizations, job cutting or delocalization used as a means of organizational restructuring. Organizations implement organizational restructure in seek of opportunities, to improve poor performance, to enhance empowerment and to be competent in the market (Akib, et al., 2019; Bowman).

## **Theoretical Framework**

### **Competence-Based View Theory**

In dissimilarity to steady personality traits, competencies can be developed; and they communicate to organizational efficacy and adaptation (Hamel & Prahalad, 1994). The competitive advantage of organizations, in the long run, is to obtain from the capacity to build and leverage competencies at lower cost and more promptly than competitors (Prahalad & Hamel, 1990). Further, their view stresses the dynamic nature of employee competencies, suggesting that employee dynamic capability should be nurtured, protected, sustained and developed. A competence-based perception focuses on those competencies of staff that are applicable for triumphant behavior. Advantages of a competence-based approach are that competencies are assumed to be recognizable, assessable and relevant for practice (Hayton & Kelly, 2016).

The perspective rests solidly on resource-based thinking. In this regard, firms utilize competence in order to reach set goals and targets, regardless of whether or not it is reduced costs or competitive advantage. But the core of the competence-based perspective lies in its approach to the nature of knowledge and of its discussion of learning processes (Sanchez, 2005). For instance, the difference between data, information, knowledge and interpretive frameworks is highlighted, as is the difference between learning and sense making. The

relations between assets, resources, skills, competences, capabilities and competencies are elaborated upon (Sanchez, 2005). A key feature is the transformation of employee capabilities into competence, which is made through learning cycles, encompassing individual, group and organizational learning (Sanchez, 2005).

In this perspective, however, the management of the transformation of knowledge to set goals is not well and clearly articulated and covered. The competence-based approach to strategy also focuses on the 'internal factors', such as organizational learning, staff sensing and operational efficiency, in explaining firms' adaptation differentials. Studies that have stimulated the advancement of the competence-based theory can be found in the conceptual and empirical articles of the following authors: Teece, Pisano and Shuen (1997), Sanchez(2005), Li and Calantone (1998) and Eisenhardt and Martin (2000)) as cited by (Nguyen, 2010) representing both management and marketing domains of an organization.

According to Kor and Maden (2013), the resource-based theory and the competence-based approach are complementary. While for the resource-based theory a firm is a portfolio of resources (e.g. physical, human and organizational) (Barney, 1991), for the competence-based approach a firm is both a collection of products and a collection of competences (Hamel& Prahalad, 1990). The competence-based approach appears to be a more actionable version of the resource-based theory, with more emphasis on the sources of organizational adaptation within the firm. Firms utilize employee dynamic capability in order to reach set goals, regardless of whether or not it is to access organizational adaptation.

## **Review of Empirical Studies**

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### **Order Article Reprints**

Jasna Prester (2023), examined the relationship between operating and dynamic capabilities and their impact on operating and business performance in Croatia. He used the confirmatory factor analysis, verified a new measurement model for measuring dynamic capabilities based on current propositions in the literature, used a database of 1008 manufacturing sites from 16 countries. The indirect and direct effects of dynamic capabilities on ordinary capabilities and operating and business performance were also checked and the tests were performed through SEM in AMOS and OLS in SPSS. The mediating and moderating effects of dynamic



capabilities measured showed only partial mediation and only low and non-significant levels of moderation, meaning that further analysis of their interrelationships on performance should be investigated. Measurement models for dynamic capabilities are especially scarce. Virtually no work dealt with dynamic capabilities in the field of operations management; yet it is exactly by means of operations that one can verify the dynamic capabilities being used and what benefits they bring.

Sheikhi, Zatzick and Babapour (2022), studied the effect of dynamic capability view in exploring the relationship between high-performance work systems and innovation performance in Iran. The aim of the study was to develop and test the framework that theories of high-performance work systems (HPWS)—a set of interrelated HR practices—build dynamic capabilities (i.e. learning, integration, and reconfiguration capabilities), which in turn leads to innovative performance. They also hypothesize that organizations with a stronger innovation culture, where employees share a common understanding of the value and importance of innovation, will be better able to convert capabilities into innovative performance. The hypotheses were tested using time-lagged, multisource data from 173 companies in the Iranian pharmaceutical industry, a knowledge-intensive, high-velocity environment highly dependent on HRs to innovate. The results revealed that the relationship between HPWS and innovation performance is mediated by dynamic capabilities (DCs). Their findings revealed that innovation culture moderates the indirect effect of HPWS on innovation performance via DCs such that culture strengthens the mediated relationship.

Gizem and Ömür (2023) examined the effect of organizational learning capability on the moderating effect of organizational resilience should be considered in order to strengthen organizational performance in turbulent markets in Iraq. Moreover, the study was aimed at developing a moderated mediation model that measures both the indirect effect of organizational learning capability on organizational performance, and the direct effect of organizational learning capability on organizational performance, with the mediating effect of organizational resilience under the moderation of market turbulence. The study adopted the instrument of questionnaire for primary data, which was applied to the high level managers of 109 manufacturing organizations. According to the findings from the data obtained in the study, it was seen that organizational learning capability plays an important role in order to have strong organizational

performance in turbulent markets, with the help of the mediating effect of organizational resilience.

Shamim, Tian, Shuja, Shleikh and Iram (2021) analyzed the impact of organizational learning capability on the innovation performance of the firms in Iraq. This study also observes the mediating role of information technology adoption between the relationship of organizational learning capability and innovation performance. Data were collected from employees of banks via questionnaire method and further analysed by using SmartPLS software. The results explained that organizational learning capability has a positive and significant impact on innovation performance directly. Moreover, they said variables also positively and significantly affect innovation performance when mediated by the firm's information technology adoption.

Rina and Setyo (2021) analyzed the effect of Dynamic Capability on Knowledge Management, analyze the effect of Dynamic Capability on Employee Performance, and to analyze the effect of Knowledge Management on Employee Performance in SINOTRUK companies. The data analysis technique used is the Structural Equation Modeling (SEM) method, the method of collecting data using a questionnaire to employee SINOTRUK. Sampling technique using purposive sampling method with a sample size of 120 respondents. Based on the results of the study it can be concluded that Dynamic Capability has on positive effect on Knowledge Management, Dynamic Capability has a positive effect on Employee Performance, and Knowledge Management also has a positive effect on Employee Performance.

Agnieszka and Katarzyna (2020) examined EDC (Employees' Dynamic Capabilities)—and the mechanism of its influence on the job performance of contemporary employees aiming to contribute to the sustainable development of organizations in Wrocław, Poland. Their paper was aimed at defining and characterizing Employee Dynamic Capability and then develop a mediation model of EDC influence on job performance, introducing the person–job fit, work motivation, job satisfaction, work engagement and organizational commitment as potential mediators related to sustainable development. The model was empirically verified based on the sample of 550 employees from Poland and USA (research carried out in December 2018) using factors analysis for verification of EDC as a new construct and then regression analysis with mediators for the verification of the proposed model. The results confirmed the role of person–job fit, work motivation, job satisfaction and work



engagement as mediators of the analyzed relation, underlining the mechanism of the EDC influence on job performance. The empirical research confirms that EDC influences job performance in a way that is crucial for achieving sustainable development of organizations.

Mohanad and Alee (2020) investigated the impact of dynamic capabilities constructs i.e. sensing capability, learning capability, and reconfiguration capability on organizational effectiveness in the selected Small and Medium Scale Enterprises in Indonesia. This study adopted the survey method to collect primary data. An online questionnaire was distributed to around 342 employees, out of which 215 completed questionnaires were obtained. The data were collected during the period from 02-08-2018 to 03-10-2018. The reliability and validity of the dimensions are assessed through confirmatory factor analysis (CFA) and the hypotheses are tested by using structural equation modeling SEM. The analytical results indicate that sensing capability does not have a positive impact on organizational effectiveness while learning capability and reconfiguration capability have a positive impact on organizational effectiveness. Thus, this study provides a better understanding of the effects of dynamic capabilities. The results of this study have the potential to help the decision makers of universities to develop learning capability and reconfiguration capability, in turn; universities will be able to achieve superior organizational effectiveness.

Sajjed and Tahere (2020) examined the impact of the Firms operating in culture industry in alignment with the resistive economy from the perspective of the respondents. This is an applied research conducted based on a descriptive, correlational survey design with a combined qualitative-quantitative approach. The statistical population included nearly 20000 managers of the firms operating in the culture industry. We formed a sample consisting of 385 managers based on the Cochran formula for finite population. The required quantitative data were collected using questionnaires. For data analysis, structural equation modeling (SEM) technique was used in PLS software where dynamic capabilities were the independent variables and the organizational culture and performance of the managers in these firms were the dependent variables. The results indicated that the dynamic capabilities, in the form of (valuable) innovations, identified (environmental) opportunities, and reconfigured organizational resources, had a positive and statistically significant

effect on management culture and performance in the understudy enterprises.

Zainuddin, Ribka and John (2018) comprehensively analyzed the effect of employee restructuring on the performance of the organization, directly or indirectly in Indonesia, the study involved 276 employees in the education office and the Ministry of Education and Culture offices and data were collected by survey method. Data analysis was done using causal correlation technique to see the effect of organizational restructuring on organization performance. The results of the research indicated that there are direct influence of employee restructuring on organization performance. Another result is that there is an indirect effect of restructuring through employee performance and leadership effectiveness on organization performance. The influence of organization performance improvement was due to organization restructuring implemented in Maluku Province education office which led to behavioural change, where the employees of education office were able to improve individual performance and could work together with the leadership as an efficient and effective structure which in turn impacted on improving organization performance.

Wayama (2017) assessed the effects of dynamic managerial capabilities on the performance of sugar industry in Western Kenya. The study examined the effect of Participative leadership, relational capability on performance of sugar industry in Western Kenya. A survey design based on samples drawn from across the sugar industry in western Kenya was adopted. The target population was 108 employees. Data was collected by use of questionnaires and analyzed using inferential and descriptive statistics using SPSS version 20. From the results the predictors of performance of sugar industry were dynamic managerial capabilities constructs namely PL, RC with 68.5% of the variation in organization performance (Adjusted R Square = 0.685) and positively related to performance of sugar industry. Therefore, the study recommended that the management of sugar industry and policy makers should formulate, implement and evaluate dynamic managerial capabilities oriented policies in order to engender high organization performance.

### III. METHODOLOGY

This study used a descriptive survey design. According to Mc Combes (2020), descriptive survey research is used to collect data and systematically describe facts and characteristics about a population by asking what, how, why, and when questions. The



researcher considered the design appropriate since it was useful for gathering information about employee dynamic capabilities and organizational adaptation of selected oil and gas firms in Warri, Delta State. **Population of the study** The study population comprised of employees of selected oil and gas firms (Rust Control- Warri, Strides Energy and Maritime, Delta Marine Oil Services, Pan Ocean Oil Corporation Nigeria Ltd., Luberve Engineering Energy and Nexco Engineering) in Warri, Delta State. A total population of 254 employee respondents were used for the study. These selected oil and gas employee respondents were expected to have the basic knowledge of employee dynamic capability and organizational adaptation. **Sample Size and Sampling Technique.** The sample size for the study was determined using the Taro-Yamane (1964) sample size determination formula. The formula is given as:

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

Where n = sample size; N = population size; 1 = constant; e = error limit margin of error of level of significant (accepted error at 5% i.e. 0.05)

$$n = \frac{254}{1 + 254(0.05)^2} = 155.35 = \text{approximately } 155$$

The sample size for the study is 155.

The sampling techniques used for the study was the simple random sampling in which the stratified simple random sampling was chosen. This is because stratified simple random sampling helps to represent the overall population.

### Method of Data Collection

The research instrument used in this study is a structured questionnaire which responds format are in the five point likert scale form whereby the respondents were asked to give answers ranging from strongly disagreed to strongly agree. Copies of validated questionnaire were delivered to the respondents by hand.

### DATA ANALYSIS

The data collected during the respondent's fieldwork was sampled and analyzed using descriptive and inferential statistical techniques to arrive at a generalization and conclusion. The descriptive statistics made use of simple percentage to analyze the questionnaire response pattern; and background profile while inferential statistical technique; correlation analysis was employed to measure the degree of association between different variables under consideration; multiple regression was used to ascertain the strength of relationship that exist among variables.

The general form of the equation to predict OA is illustrated as follows:  $OS =$

$$F(W, RCA, JD) \dots \dots \dots i$$

$$EDC = \beta_0 + \beta_1 ESC + \beta_2 LC + \beta_3 RCA + \epsilon \dots ii$$

Where:

ES = Employee Sensing Capability

LC = Learning Capability

RCA = Reconfiguration Capability

$\epsilon$  = Error term

## IV. RESULTS AND DISCUSSION

### Presentation of Data

**Table 1 Analysis from the field survey on response rate**

| S/N | Questionnaire                   | Frequency | Percentage |
|-----|---------------------------------|-----------|------------|
| 1   | Total questionnaire distributed | 155       | 100        |
| 2   | Questionnaire retrieved         | 155       | 100        |

Source: Distributed Questionnaire (2024)

A total of 155 copies of questionnaire were administered and retrieved. These copies of questionnaire were properly filled, and were useable. Therefore, the analysis in this section was based on the response rate of 100%.

**Table 2 Frequency Analysis of Respondents Profile**

| S/N | Characteristics of the Respondents | Frequency | Percentage (%) |
|-----|------------------------------------|-----------|----------------|
| 1   | <b>Gender:</b>                     |           |                |
|     | Male                               | 83        | 53             |
|     | Female                             | 72        | 47             |
|     | Total                              | 154       | 100            |
| 2   | <b>Age Range:</b>                  |           |                |
|     | Below 30                           | 54        | 35             |
|     | 31-40                              | 65        | 42             |
|     | Above 41                           | 35        | 23             |



|   |                                   |     |     |
|---|-----------------------------------|-----|-----|
|   | Total                             | 154 | 100 |
| 3 | <b>Marital Status:</b>            |     |     |
|   | Single                            | 55  | 36  |
|   | Married                           | 77  | 50  |
|   | Divorced                          | 22  | 14  |
|   | Total                             | 154 | 100 |
| 4 | <b>Educational Qualification:</b> |     |     |
|   | OND/ NCE                          | 67  | 43  |
|   | HND/ B.Sc                         | 69  | 45  |
|   | MSc./MBA                          | 18  | 12  |
|   | Total                             | 154 | 100 |
| 5 | <b>Work Experience:</b>           |     |     |
|   | 1-5years                          | 75  | 49  |
|   | 6-10years                         | 56  | 36  |
|   | Above 10years                     | 23  | 15  |
|   | Total                             | 154 | 100 |

Source: Field Survey, 2024

Table 3 showed the background attributes of the research respondents for analytical purposes representing 100% of the sample size. It was indicated on the gender composition that 83 of the respondents representing 53% of the sample were males while 72 being 47% were females. The age bracket of the respondents showed that 54 of the respondents being 35% were below 30 years of age; 65 of the respondents representing 42% falls within the age bracket of 31-40 years of age; lastly, 35 of the respondents representing 23% were above 41 years of age. The marital composition of the respondents indicated that; 55 of the sample respondents were single being 36%, 77 of the respondents being 50% were married, while 22 other respondents being 14% were divorced. On the educational background of the sample, it was indicated that most of the respondents have a high

level of those with tertiary background with 69 respondents representing 45% being HND/ B.Sc. holders; while 67 respondents being 43% of the sample size were OND/ NCE holders, while 18 respondents being 12% of the sample size were M.Sc/MBA holders. On work experience, 75(49%) of the respondents have below 5 years work experience; 56(36%) of the respondents have 6-10years work experience; while 23(15%) of the respondents have above 11 years work experience.

**Analysis of Data**

This section was centered on the analysis of responses to the major research questions which were divided into fifteen (15) sub questions using the 5 point Likert scale. They were analyzed using correlation and multiple regression analyses.

**Table 3 Correlation Analysis of the Dimensions of Employee Dynamic Capability**

| S/N | Dimensions of Employee Dynamic Capability | 1       | 2       | 3       |
|-----|---|---------|---------|---------|
| 1   | Sensing Capability                        | 0.004   | 1       |         |
| 2   | Learning Capability                       | .099    | 0.506** | 1       |
| 3   | Reconfiguration Capability                | 0.229** | 0.683** | 0.597** |

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

Table 3 showed that all the correlation coefficients between the constructs in this study showed positive correlation. The correlation coefficient between Sensing Capability and organizational adaptation showed strong positive relationship ( $r = 0.229^{**}$ ,  $p < 0.01$ ). Learning

capability and which is the second variable exhibited positive correlation with organizational adaptation ( $r = 0.683^{**}$ ,  $p < 0.01$ ). Reconfiguration Capability showed positive correlation with organizational adaptation ( $r = 0.597^{**}$ ,  $p < 0.01$ ).



**Table 4 Multiple Regression Analysis of Employee Dynamic Capability Coefficients<sup>a</sup>**

| Model                      | Unstandardized Coefficients |            | Standardized Coefficients Beta | T     | Sig. | Collinearity Statistics |       |
|----------------------------|-----------------------------|------------|--------------------------------|-------|------|-------------------------|-------|
|                            | B                           | Std. Error |                                |       |      | Tolerance               | VIF   |
| 1(Constant)                | -3.969                      | 2.262      |                                | 1.755 | .081 |                         |       |
| Sensing Capability         | .205                        | .055       | .196                           | 3.733 | .000 | .987                    | 1.013 |
| Learning Capability        | .492                        | .057       | .524                           | 8.625 | .000 | .742                    | 1.347 |
| Reconfiguration Capability | .464                        | .090       | .313                           | 5.131 | .000 | .735                    | 1.360 |

a. Dependent Variable: Organizational Adaptation

The general form of the equation to predict EDC =  $\beta_0 + \beta_1ES + \beta_2LC + \beta_3RC + \varepsilon$   
 $EDC = -3.969 + 0.205ES + 0.492RLC + 0.464RC$

Table 4 showed the multiple regression analysis result for the effects of all the dimensions employee dynamic capability. It was indicated that sensing capability has positive effect on organizational adaptation ( $\beta = 0.196$ ,  $P < 0.05$ ). Learning Capability which is the second has positive effect on organizational adaptation ( $\beta = 0.524$ ,  $P < 0.05$ ). It was indicated that learning capability has positive effect on organizational

adaptation ( $\beta = 0.313$ ,  $P < 0.05$ ). Table 4.4 indicated that there is no multicollinearity because the VIF of Sensing Capability (1.013), learning capability (1.347), and reconfiguration capability (1.360) towards organizational adaptation are below 10. The tolerance level is more than 0.1 where workload has 0.987, learning capability has 0.742, and reconfiguration capability has 0.735.

**Table 5 Fitness of the Models ANOVA<sup>a</sup>**

| Model |            | Sum of Squares | Df  | Mean Square | F      | Sig.              |
|-------|------------|----------------|-----|-------------|--------|-------------------|
| 1     | Regression | 56.428         | 3   | 18.809      | 71.817 | .000 <sup>b</sup> |
|       | Residual   | 39.286         | 150 | .262        |        |                   |
|       | Total      | 95.714         | 153 |             |        |                   |

a. Dependent Variable: Organizational Adaptation

b. Predictors: (Constant), sensing capability, learning capability, reconfiguration capability

The *F*-ratio in table 5 tests, showed that the dimensions of employee dynamic capability such as sensing capability, learning capability, and reconfiguration capability statistically predict the dependent variable (organizational adaptation),  $F = 71.817$ ,  $0.000 < 0.05$ . This implies that the regression model is significant for the study.

**Table 6 Model Summary Model Summary**

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .768 <sup>a</sup> | .590     | .581              | .512                       |

a. Predictors: (Constant), sensing capability, learning capability, reconfiguration capability

Table 6 showed that change in sensing capability was brought about by the dimensions of employee dynamic capability by 58% (0.581) as indicated by the adjusted  $R^2$  value. The dimensions of employee dynamic capability explained 58% of the variability in organizational adaptation.

The multiple regression analysis was used as an analytical technique for testing the formulated hypotheses for the study.

**Decision Rule**

If the calculated probability value is higher than the critical significance level, then the null hypothesis is accepted and the alternative hypothesis is rejected.

**Test of Hypotheses**



The P-value is the lowest significant level at which a null hypothesis can be rejected (Gujarati & Porter, 2009). Therefore, the P-value = 0.05(5%).

**H<sub>01</sub>:** sensing capability has no significant effect on organizational adaptation

Since the P value calculated in table 4 is lesser than the critical level of significance ( $0.000 < 0.05$ ), the null hypothesis was rejected while the alternate hypothesis was accepted this implied that sensing capability has significant relationship with organizational adaptation.

**H<sub>02</sub>:** learning capability has no significant effect on organizational adaptation

Since the p value calculated in table 4 is lesser than the critical level of significance ( $0.000 < 0.05$ ), there was need to reject the null hypothesis and accept the alternate hypothesis indicating that learning capability has significant positive relationship with organizational adaptation.

**H<sub>03</sub>:** reconfiguration capability has no significant effect on organizational adaptation

The P value calculated in table 4 is lesser than the critical level of significance ( $0.000 < 0.05$ ), therefore the null hypothesis was rejected while the alternate hypothesis was accepted implying that there is significant effect between reconfiguration capability and organizational adaptation.

### Discussion of Results

In line with the findings from the study analyses, as well as the review of relevant literatures, the findings of this study are presented as follows.

#### Sensing Capability and Organizational Adaptation

Table 4 showed that sensing capability have significant effect on organizational adaptation ( $\beta = 0.196$ ,  $P < 0.05$ ). Test of hypothesis one showed that sensing capability has significant effect with organizational adaptation ( $0.000 < 0.05$ ). The result is in agreement with Mohanad and Alee(2020) who examined the role of employee sensing capabilities on the organizational performance of small business enterprises (SMEs) in Indonesia. The findings of the study revealed that the employee sensing capability significantly and positively influence the organizational performance. Nevertheless, the moderating effects of organizational culture among the relationship of human resource capabilities, innovation on organizational performance have been reported not supported. Generally, these results supported the view that the human resource capabilities like training and development, skills, innovation with the help of adoption of latest technology can enhance the organizational performance

#### Learning Capability and Organizational Adaptation

Table 4 showed that learning capability effect on organizational adaptation ( $\beta = 0.524$ ,  $P < 0.05$ ). Test of hypothesis two showed that learning capability has significant effect with organizational adaptation ( $0.000 < 0.05$ ). This finding is in tandem with Shamim, Tian, Shuja, Sheikh and Iram (2021) analyzed the impact of organizational learning capability on the innovation performance of the firm. This study also observes the mediating role of information technology adoption between the relationship of organizational learning capability and innovation performance. Data were collected from employees of banks via questionnaire method and furthered analysed by using SmartPLS software. The results explained that organizational learning capability has a positive and significant impact on innovation performance directly. Moreover, they said variables also positively and significantly affect innovation performance when mediated by the firm's information technology adoption.

#### Reconfiguration Capability and Organizational Adaptation

Table 4 showed that reconfiguration capability has significant effect on organizational adaptation ( $\beta = 0.313$ ,  $P < 0.05$ ). Test of hypothesis three showed that there is significant positive relationship between reconfiguration capability and organizational adaptation ( $0.000 < 0.05$ ). this finding is in conformity with Zainuddin, Ribka and John (2018) who focused of this research is to comprehensively analyze the effect of employee restructuring on the performance of the organization, directly or indirectly, involving 276 employees in the education office and the Ministry of Education and Culture offices in Indonesia and collected by survey method. Data analysis was done using causal correlation technique to see the effect of organization restructuring on organization performance. The results of the research indicate that there is a direct influence of employee restructuring on organization performance.

## V. FINDINGS, CONCLUSION AND RECOMMENDATIONS

### Findings

The study examined effect of employee dynamic capability on organizational adaptation. The results imply that creating employee dynamic capabilities entails special complexities and delicacies. Therefore, in addition to adoption of the



approaches to the needs of sensing capability, learning capability and reconfiguration capability, firms require fundamental changes in handling their most important strategic resources-employees.

The use of employee dynamic capability-related practices in corporate settings is expected to enhance adaptability of the firms operating in the oil and gas industry and improve their strategic planning. Today, enhancing employee dynamic capabilities should be one of the top priorities of the oil and gas sector and as such, managers should be given the key role that dynamic capabilities play in the development and prosperity of firms. This can be accomplished by establishing a flexible culture built on knowledge intensive teamwork and dynamic individual capabilities. The findings from the study are summarized as follows:

- i. It was indicated that sensing capability has positive effect on organizational adaptation ( $\beta = 0.196, P < 0.05$ ).
- ii. Learning Capability which is the second has positive effect on organizational adaptation ( $\beta = 0.524, P < 0.05$ ).
- iii. Lastly, it was discovered that learning capability has positive effect on organizational adaptation ( $\beta = 0.313, P < 0.05$ ).

### Conclusion

In terms of managerial implications, the results of this study provide key implications for managers on how to build and develop employee dynamic capabilities in order to enhance organizational adaptation.

The results from the analysis confirm that sensing capability, learning capability and reconfiguration capability have a significant impact on organizational adaptation, in this case, managers should focus and put into practice the creation of learning capability and reconfiguration capability instead of sensing capability. For example, managers need to pay attention to how to acquire new knowledge and integrate it into the existing structures through learning capability and how to create new capabilities, rebuild resources and organizational structures to address the environmental turbulence through reconfiguration capability, in turn; oil and gas firms will be able to achieve superior organizational adaptations.

### Recommendations

Based on the result from the study, the following are recommended

Employee dynamic capabilities of the human resources in a company settings should be reinforced and promoted by building a friendly and

accommodating culture, adopting competency-oriented HRM practices that allow fair treatment and provide equal opportunities for all talented employees, and promote employee development and empowerment by creating a favorable working environment and strengthening sense of self-confidence in personnel, and trusting in young and talented forces and delegating authority to them.

- i. The study points to the potential for new fruitful developments in the area of environmental information sensing and strategic control processes that may allow firms to become more responsive in the face of dynamic environmental conditions by utilizing subtle insights obtained by frontline employees in their day-to-day operations

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