

Assessing the Contribution of Nigeria's Oil and Gas Industry Content Joint Qualification System (NOGICJQS) towards Human Capital Development (2010-2020)

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Abstract

The paper assesses the contribution of Nigeria's oil and gas industry content joint qualification system (NOGIC JQS) towards human capital development (2010-2020). This work ascertains the process for trainees selection from Nigeria Oil and Gas Industry Content Joint Qualification System NOGIC JQS platform for human capital development; The work further x-rayed the Nigerian content achievement/performance and major challenges facing the NOGIC JQS operations using focused group discussion and content analysis to analyze the data received from NCDMB and other secondary source, the research design is descriptive. Findings indicate that the obsolete data remains in the NOGIC JQS due to the inability of operators to update their members of staff information on the NOGIC JQS platform; trainees are not willing to present their true status on the NOGIC JQS due to quest for better offer from the industry; The Act that established the Board is due for amendment to reduce the infractions from operators. Therefore, we recommend denial of License renewal (DPR); suspending any ongoing project of such company) which many IOCs and NOCs fear most. Secondly, there is need to Identify upcoming projects for implementation of employment and training (E&T) program and attachment of Nigerians; Commence pilot program for 100 geoscientists; Commence pilot program for environmental remediation training in Oil and Gas producing communities among others; and. Finally, the need for the national assembly to expedite action towards amending the NC Act which must capture negligent to updating data on the NOGIC JQS platform as an offense which is currently missing in NC Act 2010 and 2020 Human Capital Development guideline of the Board.

Keywords: Human Capital, development, Trainees, local content, Expatriates, Vocational Training

Introduction

The discovery of oil in Nigeria can be traced to the year 1908, this is the period Nigerian Bitumen Corporation a German entity's exploration activities took off in Araromi South-Western Nigeria. This process could not yield its desired result due to the outbreak of the World War I in 1914 (Pengasan, 2005). Following the high demand for oil globally then, Bitumen corporation exploration activities resumed in 1937 after World War I, Shell got the sole license to engage in exploration covering the whole territory of Nigeria to explore for oil. The process suffered another setback following the 1947 World War II. Equivocally, the colonial government put enormous resources to

ensure that oil was discovered which took several years and it gulp over N30 million, however, a breakthrough for oil exploration in Nigeria was celebrated in 1956 when Oloibiri oil field was discovered in Bayelsa State, South-South Nigeria (Pengasan, 2005). This discovery changed the narrative in Nigeria, it put Nigeria on the world map of oil-producing country in 1961 immediately after her independence, multi-National oil industries found their way to Nigeria; among them are Mobil, Agip, Elf, Texaco and Chevron respectively joined the exploration effort which covers both the offshore and onshore areas of Nigeria. This milestone in the oil and gas industry enhanced the process of breaking a monopoly of Shell Petroleum Development Company (SPDC) more operation licenses were given to the newcomers. The essence was to give speed to oil exploration activities and production of petroleum products for both domestic use and export to Europe and America. Today, both foreign and local companies have won licenses in the exploration and producing oil and gas in Nigeria. Oloibiri oil field commenced with initial production capacity of 5,100 barrels of crude oil per day in 1958 but the production capacity was doubled to 2.0 million barrels per day in 1972 and peaked at 2.4 million barrels per day in 1979. Nigeria major breakthrough in oil and gas was in 1976 when Organization of Oil Exporting Countries (OPEC) ranked Nigeria the 7th largest oil producing country, and has since grown to become the 6th (sixth) largest oil-producing country in the world (NNPC, 2008).

From the very time oil was discovered in Nigeria till the year 2010, the country lacked a legal framework to encourage Nigerians to develop in the sector, and the activities of foreign companies and professionals dominated the industry. The assenting of the Nigeria oil and Gas Industry Content Development Act, 2010 by President Goodluck Ebele Jonathan on 22nd March 2010 opened a goldmine for existing and future investment in the oil and gas industry in Nigeria. This legislative effort helped to stimulate the growth of Nigeria's local content in exploration, production, and distribution of oil and gas. While the Nigeria Content Development and Monitoring Board (NCDMB) tends to uphold Nigeria's content plan, supervision, coordination, monitoring, and implementation, the Act is to give Nigerian companies contracts and they will in turn engage more Nigerians to do these jobs; the essence is to create an increasing local economic activity and ultimately impacting our Gross Domestic Product (GDP) (NC Act, 2010).

Conceptual Analysis

Human capital

Human capital has remained an essential component of improving any organization's capital and workforce. Schultz (1993). To ensure that competitiveness is sustained in an organization, Human capital becomes a veritable tool for increasing productivity. Similarly, Human capital is a process of training, educating, and inculcating other professional ingenuities to align an individual towards achieving organizational goals through scaling one's level of knowledge, skill, abilities, economic values, and networks which results in the employees' satisfaction, performance, and eventually on a firm's performance (Marimuthu, Arokiasamy & Ismail, 2019). Human capital is an integral part of an organization due to its enormous contribution. Thus, the definition of Human capital is referred to as "the knowledge, skill competencies and attributes embodied in individuals that facilitate the creation of personal, social and economic wellbeing (OECD, 2001, OECD, 2004).

Today, the place of human capital has attracted a good number of pieces of literature and has also been recognized as a major component in economic literature. The work of Adam Smith, (1776) that integrated human in his definition of capital remains absolute. Adam Smith, opined that capital is the stock of any nation that its inhabitants acquired, to a large extent human skills necessitates an unprecedented growth in the wealth of any society as well as its dwellers. Therefore, before the re-

birth of human capital in the early 1960s, the concept of human capital was fundamentally forgotten by economists (Becker, 1962, 1964, Schultz, 1961, 1962, and Mincer, 1958, 1962, 1974, Laroche & Mérette, 1999).

Human capital is the combination of innate capabilities as well as the knowledge and skills that an individual acquires throughout their lifetime. The potential in anybody is an important aspect of Human capital and it plays a major role in the development of such a person professionally. Any investment in human capital according to Adam Smith has a life time profit, this is because as long as such a trained personnel lives and work, his contribution to nation building and economic development thrives. Even if the personnel did not continue with organization that trained him (Cook & Shinn, 2021, Alika & Aibieyi, 2014).

The technological changes that brought about modification in production operations necessitated the need for human capital development. These changes, along with the advent of the information communication technology (ICT) has put the entire world in one click away from the other in terms of knowledge transfer among knowledge-driven economies and non-industrialized nations. The process of keying into these emerging technological innovations to aid non-industrialized nations towards joining the global trend is a paradigm shift from resource-based to knowledge-based economies. Notwithstanding, the parameters for measuring the existing degree of investment in human capital development remain a major challenge to policymakers in developing countries. It is therefore essential to state that the yards stick to measuring human capital remain ambiguous to developing nation like Nigeria (Alika and Aibieyi, 2014). As human capital is gradually catalyzing economic development as identified by economists and policymakers', modern knowledge-based economies is pivotal to ensure accuracy in measuring the input of human capital development to economic growth in Nigeria. Jorgenson and Fraumeni (1989); Laroche, Merette, and Ruggeri (1999). Human capital can variously be categorized by each perspective of academic fields. The first viewpoint is based on individual aspects. (OECD, 2009). Literatures (Beach, 2019); (Garavan, 2019; Youndt, 2020); Rastogi (2021) have incorporated the idea that the capacity of a human being is based on level of knowledge and skills acquired within the period of training and development.

There is a second viewpoint on Human capital as a process of acquisition of knowledge, skills, and education. It is important to note that educational activities such as compulsory education, postsecondary education, and vocational education contributes immensely to human capital development (Alan, Altman and Roussel, 2008).

The third is closely linked to the production-oriented perspective of Human capital as a fundamental source of economic productivity. Rosen, (1999), opined that Human capital is governments' investment on her people towards improving their value system in the workspace. Frank & Bemanke (2017) recently upheld that Human capital is a combination of education, experience, training, intelligence, energy, work habits, trustworthiness, and initiative to galvanize the value of a worker's marginal product within a given time (Rodriguez & Loomis, 2017).

The widely used human development measurement indicator is the human development index (HDI). Generally, a long and healthy life, access to knowledge, and the standard of living are measured by the index. A healthy life is accessed by the life expectancy at birth while knowledge is measured by the average years of acquiring formal education. Gross national income is the assessment tool of the standard of living (Ita, 2020). The HDI values indicate the condition and rank of the human development of a country. In 2019, the value of HDI is 0.539 for Nigeria, positioning Nigeria at 161 out of 189 countries in the world. Nigeria between 2005 and 2019 has made a remarkable increase in HDI value from 0.465 to 0.539, an increase of 15.9 percent. This has also put Nigeria's life

expectancy at birth increased by 8.8 years, meaning that years of acquiring education increased by 1.4 years, and expected years of going to school increased by 3.3 years. Nigeria's GNI (Gross National Income) per capita between 1990 and 2019 increased by about 58.0 percent (UNDP Report, 2020, Uddin & Xie, 2019 & World Bank Report, 2020).

Benefits of Human capital development in Nigeria

Human Capital development in Nigeria has been instrumental to the nation strategic planning, it involves approaches on how to create competitive advantages. Snell, (1999), stated that a firm's Human capital has two dimensions which are 'value and uniqueness. Human capital can add if it contributes to lower costs and provides for increased performance (Mincer, 1997).

Human capital as a source has not only serve as a motivating factor to workers, but as a booster to worker commitment towards the generation of new knowledge for the economy and society in general. Also, for small businesses, it is a valuable asset that is positively associated with business performance.

Investment in Human capital is even more rewarding than any other fiscal capacity (Psacharopoulos and Woodhall, 1997). Accordingly, investment in Human capital will directly or indirectly lead to greater economic output of the nation.

Today, Nigeria embarked on both the informal and the formal education system to develop its human capital, students of tertiary and vocational education provide both theoretical and practical skills. The informal or apprenticeship system produces people with limited theoretical knowledge with practical skills (Ogbimi, 1999:58) cited in Igun (2006). The paradigm shift in education system lay much emphasizes on Human capital development, the essence is to remedy the under lying problems inhibiting human capital development in Nigeria. Human capital development equips youths with technological knowhow to harness from the opportunities provided by enormous natural resources in Nigeria (Amaehule & Enyekit, 2010, Alehile, 2009).

Human capital development can enhance organizations' performance and create a significant contribution to organizational competencies and this in turn becomes a great boost for further enhancing innovativeness. (Noe, 2003); (Youndt, Subramaniam and Snell, 2004). The performance of any firm is prevalent to the level of human capital investment especially the technology-based ventures (Shrader and Siegel, 2007).

Development

The concept of Development is contestable, full of intricacies, and equivocal to give a unified definition (Thomas, 2004). Gore, (2000) pointed out that in the 1950s and 1960s a vision of the liberation of the people and peoples' dominance based on structural transformation was the order of the day, to many contributors to the development literature, this perception tends to gaffe from their view. The term Development has often been misconstrued as "economic growth as measured solely in terms of annual increases in per-capita income or Gross National Product (GNP), regardless of its distribution and the degree of people's participation in effective growth" (Mahmoud, 1991). Development according to Seers (1972) is the process of harnessing the inert potential in an individual (Abuiyada, 2018). Pearson, (1992), upheld that development comprises "an improvement qualitative, quantitative or both - in the use of available resources (Abuiyada, 2018:116). A perspective embraced by the donor agencies defines development as directly related to the achievement of poverty reduction and the Sustainable Development Goals (SDGs). Okoli, (2004) opines that development is three-dimensional: development as a concept, practice, strategy & societal

phenomena (Hickey & Mohan, 2003, Chambers, 2004, Kanbur, 2006, Nussbaum, 2000 & UNDP (1990-2007). Development is a multi-dimensional process comprising restructuring, reorientation, and re-engineering of social system of the people. It is also a process of refining the quality of all human lives.

Todaro's Three Objectives of Development

1. Raising the standard of living of the populace i.e. incomes and consumption, levels of food, medical services, and education through relevant growth processes;
2. Creating conditions conducive to the growth of people's self-esteem through the establishment of social, political, and economic systems and institutions that promote human dignity and respect; and
3. Increasing peoples' freedom to choose by enlarging the range of their choice variables, e.g. varieties of goods and services. (Sakalasoorya, 2020).

Vocational and Technical Education: Key to Human capital development

Functional and vocational training skills help to promote independence and contribute to the promotion of families and communities (Obi, 2006). Vocational training is interchangeably used as technical training (Eneyoh, 2012). It is a direct training where expertise in a particular group of techniques or technology are developed. According to the Australian Nations Educational, in Obi and Okolie (2012), vocational training provides skills and knowledge for work that enhances employability, it also learning throughout life. Eneyoh and Ekeng (2012) states that the primary purpose of vocational education is to prepare any persons for employment opportunity in a recognized occupation. Vocational education is therefore the training for all occupations requiring less than a bachelor's degree.

Finally, vocational education is expensive since it requires tools, equipment, and materials which are an important part of the training process. Vocational education is a programme for an individual in a formal environment for the acquisition of occupational skills (trade) under the supervision of a technical officer or expert. It is an education meant to prepare an individual for entrance into a chosen occupation both professional and non-professional for livelihood (Akpan, 2004).

Nigeria Human Capital Development Challenges

The challenges associated to Human capital development in Nigeria relates more to the inability of the government to draw a distinct road map towards harnessing the potential in its huge human resources. (Sharps, 2001). Okoli, (2009) believe that the reduction in the primary school enrollment, inadequate facilities and lack of trained and committed teachers have also weakened the educational base in Nigeria. (Kwon, (2009); (Schuller, 2001). Considering the enormous contribution of human capital to national development, a new additional approach to Human capital measurement must deliberate the aspect of social progress. The following were identified as the impediment towards developing Nigeria's human capital in the past decades:

- (1) The prevalence of involuntary unemployed- retrenchments, redundancy, unemployment, and reduction in the workforce and employment has a negative to human resources development in Nigeria.
- (2) High cost or unavailability of power has led to declining or dead industries' production capacity across the country

- (3) Due to a declining revenue following the above reason, there is a cut in human resources training budgets
- (4) Rising cost of living that made wages and salaries insufficient for voluntary and involuntary services.
- (5) Poor motivation among the existing workforce due to uncertainties
- (6) High Inflation rate across production value chain that led to a decline in the production of goods and services (Enyekit, Amaechule and Teerah, 2020).

Local content

Local content is a process of recruiting, training, and purchase of local goods and services that catalysis critical sectors of the economy aimed at adding exceptional values to the nation's GDP in terms of building the needed, policy frame work and skills of the people in countries that host projects. Every country has a unique definition of local content (OECD, 2004, OECD, 2002). Nigeria content (NC) is the process of using Nigerians to carry out oil prospecting, exploration, production and distribution services, its requirements are aimed at creating jobs, promoting economic development, and accelerating technology transfer (IPIECA, 2011). It is imperative to state the strategic position oil and gas companies are placed in the nation job creation and economic output are enormous.

Local content is the value that a mining project brings to the local, regional or national economy beyond the royalties accrued (NGRI, 2015). Local content can be encouraged through standard operation procedures (SOP) and aims written in national laws and individual contracts. To set up a strong local content production that will yield the desired results, the need to strengthen legislation that will help dismantle difficult areas like the technical requirements of the industry cannot be overemphasized. Also, there is need for transparency in the entire process to help plunge the leakages in oil and gas industry. Clarity of purpose on the side of the Government is very important to reduce wastages associated with project costs. Many resource-rich countries make efforts to improve the local economy by leveraging on linkages to extractive projects. Therefore, the value that the local, regional or national economy enjoys from an extractive project are referred to as the local content. (NGRI, 2015). It is a legal push to ensure that companies are recruiting local labor and procuring local goods and services from the host country.

Local Content Policy Implementation

Many countries in the world vary one from another in local content policy, to this end certain parameters are set as yardstick to measuring implementation of local content. Before now major aspect of local content policy dwell much on non-oil sector of the economy in Nigeria. It is important to note that percentage of ownership, registration with host country regulatory agencies, workforce recruitment ratio, original equipment manufacturing and consultancy services are considered paramount in local content policy implementation.

Local content policy comes through training program to ease technology transfer that in other way round contributes to the country Gross Domestic Product (GDP). The training depends on the kind of project the foreign partners are trying to execute, some are special training that conventional education system cannot handle that may need professionals to execute. Others might be training one can receive from abroad or on the site (NGRI, 2015).

The need to create employment and build local capacity led to the formulation local content policies aimed at maximizing the profit inherent in huge deposit of oil and gas in Nigeria, by so doing Nigerian local content policy came into been and since has contributed immensely to improving the living standard of Nigerians through job creation and career development. In the same vein, Nigeria local content policy in oil and Gas industry has helped in the catalyzing the nation's GDP by attracting foreign direct investment in the sector (Udok, Udofia and Okunbolade, 2020).

Engaging Nigerians in the oil and gas sector or Nigerianization of oil and gas industry can be the simplest of definition of "Nigerian oil and gas local content", another dimension is the participation of indigenous investors in the oil industry or the use of local contractors in the execution of oil contracts in Nigeria (Ogbeifun, 2016). Therefore, local content is more of value addition, setting a deliberate orientation, actions and causes of actions to improve local capacity in the industry. Sustainability of the system to ensure availability of products, services and customer satisfaction in line wine with global best practices is germane. (Obuaya, 2018). Though the above definitions reflect some important indices to examining the concept of local content such as 'deliberate orientation', 'capacity building, 'sustainable capability', 'product deliverability systems', and 'comparability'. (Obuaya, 2018). Local content contribution to a host through the activities of the oil and gas industry affect the general well-being of the people. It may be measured with the following variables either by: project, affiliate, and/or country aggregate through: Career development of workforce, recruitment/engaging the locals, training of local personnel, dichotomizing the value chain in the industry through investments in supplier: increasing the supply chain locally; and giving priority to locals during procurement as service providers (IPIECA, 2011)

The Nigeria Content Law is so pivotal as it has contributed immensely towards capturing values due to rising oil prices in the last 10 years driven by the "insatiable" growth of the economies and unrest in some oil rich nations across the globe. From the perspective of Nigerian oil service companies, the local content law seeks to leverage on the existing and future investment in the oil industry through a legislative effort to stimulate the growth of Nigerians. The NC Act considers service-by-service or the proportion of work to be domesticated or reserved exclusively for Nigerian companies. This entails capacity limits, regulation of the recruitment process into key technical and executive positions in the industry, the Act also back the funding of projects through NCDMB (Nigeria Content Development and Monitoring Board) as the new regulator. Such a bold initiative has received divergent opinions from players within and outside the industry. Among them is that Nigeria's economy will be completely transformed when the impact of over \$15 billion are injected into the industry annually. The other side of the divide is that Nigerians and Nigeria cannot produce result due to the problem of corruption that hampered such a move in the past (IPIECA, 2011).

Oil and Gas Industry

Oil and Gas activities before NC Act premised on exploration, development, exploitation, transportation, and distribution without a clear definition of what the locals through human capital intends to profit from the exercise. Today, the Nigerian Content Act 2010 and Petroleum Industry Act 2021 has dichotomized the industry into upstream, midstream and downstream sectors.

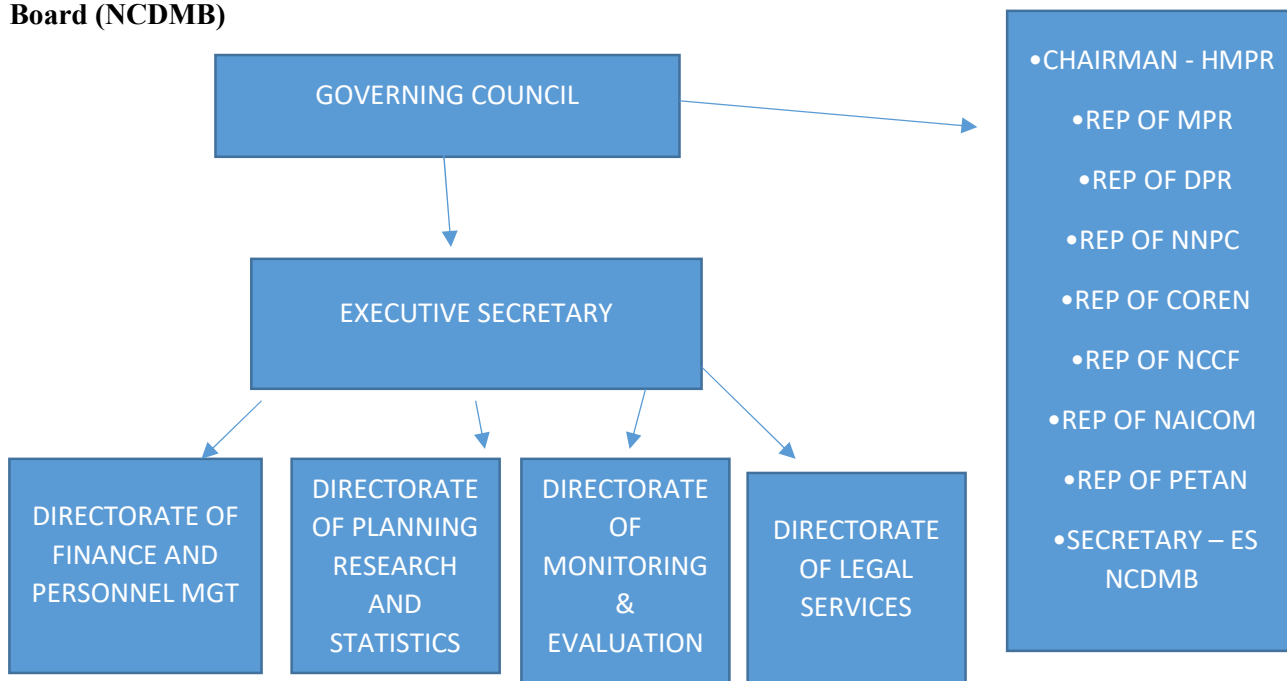
Policy & Legal frameworks

Nigerian Oil and Gas Content Development Act (NOGCD)

The title of NC Act is "The Nigerian Oil & Gas Industry Content Development Act, 2010". The Act was signed into law on 22nd April 2010 by Dr. Goodluck Ebele Jonathan GCFR. President Federal Republic of Nigeria. The Act established Nigeria Content Development and Monitoring

Board (NCDMB) a subsidiary of Nigeria National Petroleum Corporation (NNPC) under the Ministry of Petroleum Resources. The structure of the Board comprises of the Governing Council, Executive Secretary of the Board and the Directorates. The pioneer Executive Secretary was Engr. Dr. Ernest C Nwapa (FNSE) April 2010 to May 2015. (EEI, 2021). Presently, Engr. Simbi Wabote is the Executive Secretary of the Board since June 2015 till date and supervised by a Governing Council chaired by the Minister of Petroleum Resources. The Board’s Headquarters is at Nigeria Content Towers Yenagoa, Bayelsa State South-South Nigeria. The NCDMB is oil and gas regulatory agency unlike before it was a unit responsible for coordinating Nigerian Content (NC) in NNPC. The Board are to Implement the Act’s provisions and regulations which includes to; Supervise, coordinate, administer, monitor, and manage the development of Nigeria Content (NC). Furthermore, the Board assist local contractors & Nigerian companies to develop their human capital; provide guideline for human capital development (HCD) implementation and ensure strict compliance with the provisions of the NC Act; Monitor and coordinate NC performance of all operators following the provisions of the Act. NCDMB is also charged by the Act to ensure that there are both human capital building and industrial capacity development. There is a strong emphasis on the employment & training of Nigerians and the development of human capital through deliberate and sustained efforts, programs, and policies. Some of the methods include understudying, on-the-job training, and project-driven training opportunities, such that over the life of field development, local human capital is developed to be available for another field development or project (Ita , 2014).

Composition of the Governing council and Nigeria Content Development and Monitoring Board (NCDMB)



Source: www.ncdmb.gov.ng

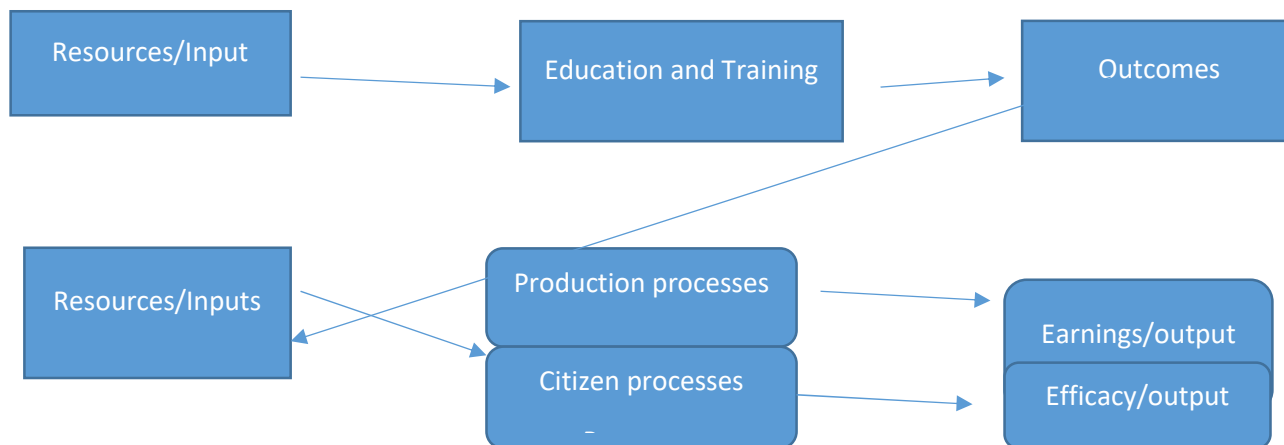
Theoretical Framework

The study is anchored on Human Capital Theory. Human Capital theory is rooted in the field of microeconomic development theory by the British economists, Sir Williams Petty (1623-1687) and Adams Smith (1723-1790). The duo is regarded as the primary proponents of the Human Capital Theory. Though there are a few contemporary scholars like Backer (1993) & Schultz (1993) that have contributed to the Human Capital Theory.

Human Capital theory upholds the following tenets as it identified different kinds of capital:

- ❖ Instrumentality of formal education to improve the production capacity of the populace. (Olaniyan & Okemarkinde, 2011).
- ❖ Investment in Human Capital is premised on three critical assumptions: (a) catching the generation young strategy (b) from known to unknown strategy; (c) conceptualization and development of new ideas through creative approaches.
- ❖ Labour is considered as an essential commodity by Human capital theory that can be traded in terms of buying and selling.
- ❖ Human Capital catalysis entire organizational structure that boost the performance of its workforce. (Backer, 2010)
- ❖ The measuring standard of any nation is its Human resources. (Harbison, 2010).

Foundations of Human Capital Development



Source: Swanson, and Holton (2001)

In line with the provisions of the Act that established the Board, it provided Human Capital development guidelines with much emphasis on training which Human capital theory upholds. The Nigeria Content Human Capital Development implementation strategy identified the following intervention or approaches suitable to boost Nigeria oil and gas development (NC-HCD, 2020).

Direct intervention human capital development.

This offers direct sponsorship of training by the board for graduates and artisans in professional skills, technical and non-technical skills, vocational and entrepreneurial skills, etc. The training shall comply with National Occupational Standard and Nigeria Oil and Gas Standard. To execute this training, the Board engages the services of accredited trainers by the Oil and Gas Training

Association of Nigeria (OGTAN) and reputable training providers, training organizations, and educational institutions capable of providing direct human capital development. The training provider selection will be in line with the 2007 Procurement Act (NC HCD, 2020).

1. Project –Based human capital development.

Section 10(1b), 28(1), 29, 30, and 37 of the NOGICD Act 2010 made provision for training of Nigerians in Oil and Gas industry. (NCHCD, 2020)

2. Collaborative human capital development.

Collaborative HCD is a partnership between the Board and any of the following stakeholders in Oil and Gas in the country: NNPC, IOCs, NOCs, RETAN, OGTAN, NDDC, PTI, ITF, Tertiary Institutions, Service Providers, Marginal Field Operators(MFO), and any other entity with the capacity and capability to execute pieces of training in oil and gas industries. (NC-HCD, 2020)

3. Remedial human capital development.

This strategy capture erring operators that fails to abide by the HCD guideline, the Board mandate such operator(s) to train potential applicants generated from the NOGIC JQS platform for necessary training which serve as a penalty for defaulting NC Act, especially when the Board did not find such a company guilty of being willful and consistently flouting the HCD guideline. (NCHCD, 2020)

4. The 60-20-20 strategic training.

This strategic training states that 60% of NC-HCD shall be dedicated to job creation and Entrepreneurial development in the oil and gas sector in Nigeria.

At least 60% of the trainees shall be employed, while 20% shall be for advanced/higher training and certification. The last 20% shall be for basic/ job entry level. This category is for graduate and non-graduate

5. Qualification of Candidate for NC-HCD Training. Every project comes with Training Implementation Proposal (TIP) as approved by the Board and the provision of NC-HCD guidelines. Fabrication and Construction (FC); Production Services (PS); Manufacturing and Related Services (MS); Procurement and Supplies (P&S); Consultancy Services (CS); Quality control Inspection and Testing (QC); Moveable Equipment (ME); and Non-Movable Equipment (NME) Candidate qualification for Project based training shall be according to the requirement attached to TIP. Secondly, trainees are generated from the pool of applicants on NOGIC JQS platform. The selected trainees are subjected to a written examination, and successful candidates after the examination shall be interviewed. The last step is that successful ones are shortlisted for training either by the Board directly, the operators, or partners of the Board as mentioned above. (NC HCD, 2020)

Hence, this paper seeks to identify the:

1. The procedures for selecting trainees for human capital development by the Board
2. The level of Nigerian Content achievement/performance in the selected services monitored by the board and

3. Major challenges facing the Operationalization of NOGIC JQS in the Oil and Gas sector

Our respondents highlighted so many achievements of the Board in its over 10 years of existence, which we confirm the information from NOGIC JQS portal www.portal.nogicjqs.com that over 250,000 Nigerians are already captured on the platform. Over 500 candidates (Engineering and Technical and non- Technical) are attached to various oil and gas projects being executed in Nigeria coupled with a model for geosciences and environmental remediation pieces of training developed and ready for implementation to reduce the impact of Oil spillage on oil producing communities as a result of the activities of oil bunkers and illegal refineries in the oil-rich region. Following the above research questions, we discovered a very transparent and highly competitive selection process by the Board that justified the system, the entire selection process is in line with the global best practices in Human Resources Management (HRM).

The Board trained Artisan in various skills like scaffolding, painting, plumbing, land scrapping, air –conditioning, fabrication, marine services, ridge operations, etc. The above milestone has put our local content policy on the right pedestal in today's oil and gas human capital/capacity development across 36 States and FCT. The work suffers a major setback due to the Board's failure to furnish the researchers with Nigeria Content (NC) achievements in the following areas: Platform Fabrication and Construction (PFC); Petroleum Exploration and Production Services (PEPS); Marine Services (MS); Quality Assurance, Inspection, Testing, and Safety Control (QAITS); and Original Equipment Manufacturing (OEM)

Table 1. The contribution of the NOGIC JQS towards human capital development in oil and gas sector

S/NO	Initiative	Objective	Status	Next Steps
1	Nigerian Oil and Gas Employment and Training (E&T)Tracking System	<ul style="list-style-type: none"> •Provide Nigerians with training and exposure to develop skills for the Oil and Gas Industry •To attach Nigerians to projects being executed under the requirements of the Employment and Training Plan. 	<ul style="list-style-type: none"> •Over 100,000 Nigerians captured on database to be fed into the NOGIC JQS •Over 500 candidates (Engineers and Technicians) attached to various Oil and Gas projects being executed in Nigeria. •Model for geosciences and environmental remediation trainings developed and ready for implementation. 	

	<p>Promote development of training facilities</p>	<ul style="list-style-type: none"> •To develop indigenous Competencies in provision of Oil and Gas Training Services. 	<ul style="list-style-type: none"> •Established OGTAN to coordinate Oil and Gas Training Activities. •Developed NIW to ANB status under IIW. Welding certification and testing center in progress in Edo State •Design concluded and site identified for subsea academy in Bayelsa State. •Plans ongoing to setup Oil and Gas Center of Excellence in partnership with international Oil and Gas training and certification body. 	<ul style="list-style-type: none"> • Ensure execution of MOAs between project Executors and Oil and Gas trainers during project execution. •Work with NIW towards completion and utilization of testing and certification Centre •Work with investor to acquire site and commence construction of subsea academy
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2	Establishment and utilization of key facilities to support the Oil and Gas industry	<ul style="list-style-type: none"> •To facilitate the establishment of indigenous lateral industries to support oil and gas service delivery 	<ul style="list-style-type: none"> • Major fabrication yards upgrading their facilities to accommodate increased workloads. • New yards being developed – Daewoo, Kaztec, EWT • Existing pipe mill fully booked uptill 2015. • New pipe mill projects are in construction phase – Technova • Indigenous marine vessel operators are acquiring vessels to take advantage of opportunities from marine vessels utilization strategy. • OEMs setting up manufacturing plants – Siemens, ABB for electrical products, Baker screens, GE panels, Neway valves. • Indigenous Offshore Rig companies are acquiring and deploying rigs, multinationals are keying into the Offshore Rig Acquisition Strategy to develop indigenous capacity. • R&D clusters are being setup and budgets channeled to fund research and capacity building to address technology and environmental issues. 	<ul style="list-style-type: none"> •Commence engagements to secure incentives and align policy issues to drive investments. •Secure site for pilot mill and commence early preparations for investor •Drive commitments towards execution
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Source: www.ncdmb.gov.ng/implementation-framework

Vocational training has the primary purpose of preparing a person for employment in a recognized occupation (Enevoh and Ekeng, (2012). Our respondents from the directorate of planning, Research, and Statistics on the implementation framework of the board concur with the position of the above author on vocational training. The Board's use of local content to build its co-operate headquarters “Content Towers” in Yenegoa, Bayelsa State capital is a clear indication that the board has contributed and still contributing to human capital development. Artisan trainees were empowered in various vocations like fabrication, air-conditioning, mechanical, and engineering among others. Furthermore, other respondents from NOGIC JQS (Directorate Monitoring and Evaluation) attest to us that the establishment of the Oil and Gas Training Association of Nigeria (OGTAN) which regulates Oil and Gas training activities is a step in right direction. The establishment of the Oil and gas Centre of excellence in partnership with the international oil and gas training certification body is a welcome development.

The research is a survey made by interviewing some members of staff of NCDMB. The methodology used for this study is the content analysis method of analyzing the data gotten through the interview. For an effective collection of dependable and valuable primary data, we wrote to the Executive Secretary of the Board Engr. Simbi Wabote requesting for an access into the NOGIC JQS platform but our request was not fully complied. Furthermore, focused group discussion was used to get a response from R&D (Research and Development) and NOGIC JQS units at Content Towers, NCDMB Headquarters in Yenegoa, Bayelsa State. The interview was used to obtain necessary information from the employees of the Board.

Osuala, (2007) stated that occasionally, data collected for some other purposes, frequently for administrative reasons may be used, such data are known as secondary data. Secondary data must be used with caution. Such data may not give the exact kind of information needed. Therefore, the researcher sourced various newspapers, journals, manuals, internet, textbooks, etc. in other to ensure access to basic information needed to make this work robust. Based on the above fact the instrument for data collection used in this study is the interview method which was carefully constructed by the researchers based on the instruction from the research questions. The questions were asked in a simply and unambiguous language. The interview questions were pre-tested, and corrections were made with the application of guides and explanations from the lead Researcher which enabled the respondents to answer the interview questions quickly and correctly. The methodology for analyzing data was descriptive. Finally, the responses were analyzed using content analysis.

NOGIC JQS Challenges in Nigeria's Oil and Gas Sector

To ensure effectiveness and efficiency in the entire process of harnessing and managing the huge human capital in the country, an electronic platform known as Nigeria Oil and Gas Industry Content Joint Qualification System (NOGIC JQS) was created by the Board to capture the potential human resources in the industry across Nigeria. The platform has the capacity to manage the data of individuals and corporate bodies in the industry aimed at curtailing the underutilization of Nigerians, domination of the industry by the expatriates, and to promote local participation and empowering our human resources in the oil and gas industry (NC Act, 2010).

Findings indicate that operators are not updating the data of their members of staff regularly to help the Board make informed decisions on NC performance/achievements. Most operators did not see the need hence there is no penalty attached to negligent to updating the NOGIC JQS platform with correct information about their workforce. Also, they avoid this update because they will not like to show the need for recruitment or replacement of vacant positions in their firm for the reason best known to them. Also, successful trainees employed by the oil companies on other hand are an accomplice to the above crime, this is because many of them fear/fails to disclose their employment status on the platform. A good number of applicants on the platform are employed but maintain unemployment status due to the desire for a better offer from the industry thereby making it difficult for the Board to know exactly the number of applicants and trainees waiting to be absorbed into the industry.

Secondly, the NC performance/ achievements in the past decade of the Board's existence are below expectation as the Board lacked one click away website to view its numerous achievements in human capital development which cut across the 36 States and FCT.

Thirdly, NC implementation through NOGIC JQS has not received its expected result due to the delay in passing the Board amendment Act 10 years after its establishment. Many operator hinds under some lacunar that was not addressed in the original Act in 2010 to avoid their responsibility in human capital development in the oil and gas industry in Nigeria.

Conclusion

The Nigerian government in the last 20 years have put high premium on job creation as one of its agenda for national development which the Board concurred with by creating jobs for all classes of people in the society through NOGIC JQS. The process of selecting the trainees is in line with global best practices and the use of the electronic platform NOGIC JQS to select trainees is a welcome development. Training activities comply with the regulation set out by OGTAN (Oil and Gas Training Association of Nigeria) to ensure that the trainees secure a job. The successes are without

prejudice as they cut across all categories of people in society. (Skilled, semi-skilled, and unskilled). The transparency in the selection of the Trainees, Trainers, Contractors, or Operator for a specific project is acceptable.

The successes or milestones of the Board on Human Capital Development were made possible by the concerted effort and synergy among the four directorates of the Board namely; Finance and personnel management, planning research and statistics monitoring and evaluation and legal services directorates.

- Established OGTAN to coordinate Oil and Gas Training Activities.
- Developed Nigeria Institute of Welding(NIW) Obanyantor Edo State sponsored by Shell Nigeria exploration and production company Limited (SNEPCo) for Welding certification and testing.
- Design concluded and site identified for subsea academy in Bayelsa State.
- Oil and Gas Center of Excellence in partnership with international Oil and Gas training and certification body on ground.

Site identified and commitment extracted for pilot line pipe mill project.

- 4 Fabrication yards identified for upgrade.
- Commitment towards investment in Dry dockyard secured on Brass LNG tender
- Proposals obtained from major EPC companies to setup facilities in country

From the human capital implementation framework above, significant changes have taken place in key areas of the sector like fabrication and construction, marine's services, engineering and service oriented fields in oil and gas in last 10 years

Finally, the challenges facing the Board include the operator's failure to update the data of their members of staff regularly to help the Board make informed decisions on NC. Most of the operators did not see the need due to no penalty attached to negligent updating data on the NOGIC JQS platform with correct information about their workforce. The employees on other hand are an accomplice to this impasse, this is because many of them are afraid to disclose their employment status on the platform especially the ones in big IOCs. Many on the platform are employed but they choose to remain as unemployed on the platform due to the desire for a better offer from the industry thereby making it difficult for the Board to know exactly the number of potential applicants and those that are employed. Worthy to mention is the delay in passing the Board amendment Act 10 years after its establishment is a major setback to the implementation of the Board's Human Capital development strategy and operationalization of NOGIC JQS in the oil and gas sector in Nigeria. Many operators hide under the lacunar in the original Act in 2010 to avoid their responsibility in human capital development.

Recommendations

In sequel to above findings we recommend that:

Stiffer penalties should be meted out to any defaulting operator that fails to update their NOGIC JQS data within a stipulated period; among them includes denial of License renewal (DPR) of defaulting firm to serve as a deterrent to would-be defaulters; suspending any ongoing project (s) of such company which many IOCs and NOCs fear most; denying such firm the right to tender for Contracts, Training, or Projects advertised by the Board. Also, Individuals who fail to update their data on NOGIC JQS may stand the risk of being automatically removed from the database after 6 months of warning through email. (The good part of the portal is that it records your visiting record meaning that once you log in, the portal registers your presence and activity undertaken.

To increase the profit associated to NC development through NOGIC JQS, there is need to identify upcoming projects for implementation of employment and training (E&T) program and attachment of Nigerians to various projects across the country; Commence pilot program for 100 geoscientists; Need to take off pilot program for remediating training on the environment of communities producing oil and gas; Implementing memorandum of actions (MOAs) signed during project execution between project Executors and Oil and Gas trainers; Synergize with Nigeria Institute of Welding (NIW) towards replicating such laboratory in other parts of the country; Partner with investor to acquire site and expand the subsea school in different part of the country; Create an enabling environment that will attract foreign direct investment (FDI); and Complete the site for pilot mill and commence early preparations for investor and drive commitments towards its expansion due to increasing demand.

Finally, the need for National Assembly to expedite action towards amending the NC ACT 2010 capturing negligent to updating data on the NOGIC JQS platform as an offense which is missing in the current NC Act 2010 and 2020 Human capital development (HCD) guideline of the Board.

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