

**INFLUENCE OF GOVERNMENT VISION, INDIVIDUAL  
VALUES, ORGANIZATIONAL COMMITMENT ON  
LEADERSHIP DEVELOPMENT PROGRAMME  
EFFECTIVENESS: A STUDY OF OIL EXPLORATION  
COMPANIES IN ABU DHABI**

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A Thesis Submitted to Asia e University in Fulfilment of the  
Requirements for the Degree of Doctor of Philosophy

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## ABSTRACT

The main research objective was to determine the effectiveness of Leadership Development Programs (LDP) in the context of the Oil and Gas exploration firms in Abu Dhabi of United Arab Emirates (UAE) which are state-owned enterprises (SOE). After reviewing the literature review on SOEs, several relevant variables were identified. The dependent variable of the study was the LDP effectiveness while the independent variables were the government vision and individual values. In addition to the dependent variable and independent variables it was speculated that they would be mediated by organizational commitment and LDP program design. The coaching process in LDP was given critical importance in almost all respects such as in successful LDP outcome, LDP design and curriculum. There were six general hypotheses which were developed. The hypotheses of the research had focused on the influence and relationship between various variables and the sub-variables of the research. The study had adopted the quantitative methodology. The data was collected using a 5-part survey questionnaire which comprised 36 questions. The collected data of 255 samples were analysed using the SPSS version 20 software producing the correlation and regression results. The general trend of the participant responses showed their agreement and acceptance of being engaged in LDPs to improve their leadership skills. It was found that the Structural Contingency Theory (SCT) was suitable to explain the relationship between the variables. In addition, it was recommended to managers and policy makers in Abu Dhabi's firms to focus on developing communication channels for better application and design of LDPs.

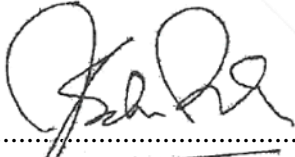
**Keywords:** Abu Dhabi, leadership development program effectiveness, oil and gas sector, state-owned enterprises, structural contingency theory, survey method

## APPROVAL PAGE

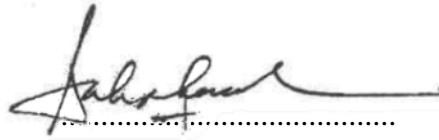
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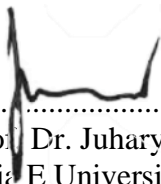
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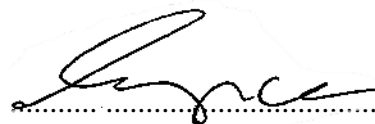
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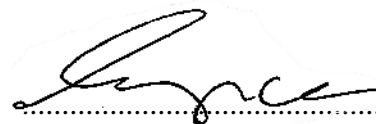


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## DECLARATION

I hereby declare that the thesis submitted in fulfilment of the PhD degree is my work and that all contributions from any other persons or sources are appropriately and duly cited. I further declare that the material has not been submitted either in whole or in part, for a degree at this or any other university. In making this declaration, I understand and acknowledge any breaches in this declaration constitute academic misconduct, which may result in my expulsion from the programme and/or exclusion from the award of the degree.

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## **LIST OF ABBREVIATION**

ADNOC	-	Abu Dhabi National Oil Company
EI	-	Emotional Intelligence
E & P	-	Exploration & Production
GLC	-	Government-Linked Companies
HRD	-	Human Resource Division
KPI	-	Key Performance Indicator
LDP	-	Leadership Development Program
SPC	-	Supreme Petrol Council
SOE	-	State-Owned Enterprises
U.A.E.	-	United Arab Emirates



# CHAPTER 1 INTRODUCTION

## 1.1 Background of the Study

For years, organisations had invested time and money on improving the capabilities of managers and on nurturing new leaders. US based organizations spent almost US\$14 billion annually on leadership development (Gurdjian et. al, 2014). Colleges and universities in the US offer hundreds of degree courses on leadership, and the cost of customised leadership development offerings from a top business school can reach US\$150,000 a person. This study had intended to focus on the Leadership Development Program (LDP) effectiveness within the Abu Dhabi based oil and gas exploration companies in United Arab Emirates (UAE). UAE with a high demographic imbalance consists of only 30.9% citizens with in the total population of over 7.9 million (National Bureau of Statistics, U.A.E., 2011). Najat et al (2016) quote a research by Oxford Strategic Consulting that 64% of Emiratis need to be leaders to fill the business and strategic leadership positions in the UAE. Therefore developing leaders becomes a vital factor which is emphasised in the Strategic Plan for the Emirate of Abu Dhabi 2021(Abu Dhabi Strategic Plan 2021) that the majority of UAE citizens need to be leaders in developing leadership as a key capability and by strengthening essential training skills by young Emiratis.

In the context of the above and within the purpose of this research Abu Dhabi-based Oil exploration companies a State Owned Enterprise were selected as the research platform based on the researcher's exposure in this field. Abu Dhabi a city of

exemplar has a long history of its natural wealth mainly the Oil and Gas is controlled by the Supreme Petroleum Council (SPC) chaired by H.H. Khalifa Bin Zayed Al Nahyan, the Ruler of Abu Dhabi and President of U.A.E (MEOS) 2011). Abu Dhabi National Oil Company (ADNOC) a state-owned organisation establishes companies and subsidiaries to create an joined upstream, downstream production, maritime transportation, refined petrochemical products and distribution.

In U.A.E, steady growth of fast paced technology was expanding the economic horizon and raise U.A.E. as “knowledge society” (Paulos 2008) has developed a demand and supply of skilled leaders. With the objective of promoting and projecting the National Leadership Skills by integrating the spirit of development and integration that national aspire to achieve, since 2009 as a corporate strategic directive of ADNOC, its entire group companies are focusing on “People Development” (ADNOC 2012) by including “People” element as a corporate Key Performance Indicator (KPI). In achieving the People Development KPI ADNOC group companies are advantaged to develop its Development Programs by bringing in the international best practices through their shareholders, EPC Contractors, renowned business partners from the local and international training & development arena. Hi-Potential nationals are identified across various levels of the organisation to develop their Business, Behavioural, and Leadership skills. Well defined career based LDPs are in practice involving the spending of over US\$ 50 million per annum. The components of the programs that are developing over 200-500 high potential employees with the focus on preparing them as future leaders of the industry through identifying their strength as well as the area for improvement would be the key element of this research.

According to Muranski et al. (2008), the concept of leadership in the corporate industry had transformed rapidly with the changes that took place in the business environment. Further, Puangnil (2012) noted that profit earning was not the sole motive of business firms and they were trying to create a sustainable business growth and development process. In this respect, corporate leadership had taken a new form wherein the stakeholder development is a top priority. Various LDPs and processes were implemented to develop a transparent and engaging work process within the business culture of the firms. The basic manipulations performed about the leadership programs were however debated among the scholars since long. While scholars such as Sogunro (1997) and O'neil and Marsick (2007) had mentioned that structure of an organisation was the primary factor that influenced the selection of leadership approach and programs others researchers such as Al-Dabbagh and Assaad (2010) had stated that leadership capability helped in designing the structure of a company. Furthermore, activities such as employee engagement, alignment of personal interests of employees with organisational objectives and evaluating the sustainability of the strategic planning processes are included within the role of corporate leaders in ensuring the desired outcome. LDPs are being implemented at strategic levels as well as on the operational frameworks of the companies. Schminke, Ambrose, and Cropanzano (2000) mentioned that most of the organisations initiate LDPs and approaches based on the problems they were facing rather than consider aligning with their organisational goals and objectives. This statement also highlights the intention of the organisations and their influence on LDPs in the wider context of organisational performance.

According to Cohen (2009),

*“Organisations that support and implement continuous and transformational change remain competitive.”*

As life and every process within it tended to change and transform people should embrace the changes as well. The changes in organisational structure and its culture have always been a stumbling-stone within the frames of a group. In most of the cases, the primary person confronting the changes is the leader, and he/she is at the same time the only people who can implement the changes into the process of organisation. Recently the flexibility and creativity of a leader are valued more than the other abilities. In the frames of technological revolution and the development of global business and structures, the leadership should find new ways of guidance to embrace the competitive nature of today's state of affairs.

Some of the contemporary themes for LDPs are associated with competency development, employee training, aligning managerial practices, workforce preparation in the context of skills, performance, productivity and engagement towards organisations, etc. Among these, building a competitive workforce that can contribute positively towards the growth of an organisation is the core objective of any LDPs. According to Al-Dabbagh and Assaad (2010), most of the multinational organisations design their leadership programs with the aim of standardising their operations across their operational network. However, this also reduced the scope of leadership efficacies as the cultural and structural aspects of organisations differ with the change in their location and geographical area of operations. For instance, big firms such as British Petroleum have to employ different leadership strategies for their subsidiaries operating in the Gulf of Mexico and for the employees working at the European headquarters. Thus, it can be noted that cultural norms, structural changes and personal values of the workforce influence not only the leadership development process also the LDPs. In

respect of the commitment of the workforce towards the organisational goals, the primary objective of corporate leaders is to help the employees understand their roles and the benefits that they can derive from the organisation (Carbone, 2009). Although Adler (1991) argued that organisational commitment are initiated because of the personal sentiments of the workers, the materialistic factors such as compensation and rewards also help in increasing employee engagement and commitment.

## **1.2 Problem Statement**

The study had looked at the Leadership Development Program (LDP) problem faced by the state-owned enterprises in Abu Dhabi, UAE.

According to Leskiw and Singh (2007), the commonly perceived role of Leadership Development Programs (LDPs) is to organise and improve the performance of the workforce of a company or a group with a mutual long-term vision. Apart from this Kotter (2012) added that aligning the personal interests and the organisational objectives is the fundamental step towards developing a significant LDPs or process. Both these statements highlight some of the essential factors influencing the LDPs of organisations. The existing studies on the research topic have mainly focused on the various approaches and functions of leaders on improving the employee engagement of a firm. On the other hand, Martineau (2004) noted that leadership processes and programs are implemented for organising the workforce and reducing the chaos in the work structure of the firms.

In the context of the gaps in the existing literature, most of the researchers have focused on the influence of leadership on the work process of the organisations rather than the factors that determine the approach to leadership to be used in the concerned situations. One of the major criticisms regarding the existing literature on leadership is

that extensive research and analysis are performed on the western leadership processes and cultures.

However, the same cannot be said about Middle Eastern context and is often considered to be one of the primary reasons behind the unawareness of employees regarding leadership processes and concepts. According to Pinnington (2011), the contemporary scenario of business management presents many challenges hence the leadership strategies being used are modified in the firms. This modification process takes place by amalgamating different types and levels of leaderships within a single framework. Randeree and Chaudhry (2007) mentioned that creating a new framework of leadership is also considered to be a part of the LDP, but the process of implementing them to achieve results has been mostly accredited as a managerial role. In this context, another crucial gap in the existing literature regarding LDPs is the functions of the leaders and the managers in ensuring appropriate commitment and engagement from the workforce. Again, in this regard, one of the lesser explored areas is the influence of the cultural and ethical values of the employees and their resistance to change or adapt to a new management and leadership competency. The LDPs in this regard can highlight on any one area of development or many based on the response of their target stakeholders. LDP effectiveness which is the dependent variable in this study has been analysed from all the perspectives mentioned above for fulfilling the research objectives.

The Independent Variables (IV) considered for the research are Government Vision and the Individual Values of the LDP participants. Both these elements are widely explored factors regarding leadership processes and programs. The role of government towards organisational development and activities are highly controversial

in economic as well as managerial studies. Scholars such as Schiliro (2010) and McGonagill and Doerffer (2011) have criticised that the influence of government on business houses as they restrict the scope of growth. On the contrary, Shediak et al. (2008) stated that government of a nation reflects the national issues and challenges in their vision and with their authority also urged the corporate sector to contribute towards a mutual growth for the nation, society and the organisation. Therefore, the government vision increases the responsibilities of the leaders of the firm and enhances the reach of organisational activities in the context of stakeholder connection. Another role of government in promoting the LDPs as mentioned by House (2004) is to promote fair competition and sustainable practices for companies. Rewards and accolades are provided to the firms which in turn improves their brand equity based on the LDPs of the companies. In the context of Abu Dhabi, the government has strict control over market regulations, but they consider the contribution of the originations towards national development that advocate the requirement of supporting the government vision within the leadership practices of a firm. Research question 1 has been designed with a focus on the government influence and the organizational commitment on the LDPs.

In the context of the individual values of the employees, Carsten and Uhl-Bien (2012) mentioned that growing cultural diversity in the workforce of the organisations had created a different range of factors to be considered while designing the LDPs. For instance, factors such as communication, ethical values and personal ambitions of the workforce need to be considered while framing the leadership competency framework of any organisation. In the case of the companies operating in the Oil & Gas exploration segment, that majority of the workforce is formed of expatriates. In the current context the participants of LDPs is mostly U.A.E. National employees in comparison to

expatriates, which also hints towards the limited awareness and knowledge regarding leadership approaches and skills. Based on this, the LDPs need to either standardise their policies or create a customised leadership generation process. The existing researches of House (2004) and Day (2001) have explained mainly the influence of cultural diversity and cross-cultural management on the leadership development process, but the process and strategies that can be implemented for accommodating these factors in the leadership aspects of an organisation are yet to be explored in a detailed manner. This research will focus on the sustainable practices that are being tested in the concerned industry for handling the issue of individual values of the employees and integrating them within the LDPs.

The Mediating Variables (MV) for the study had been considered as organisational commitment and program design for various levels of leadership within the organisation. Organisational commitment in the context of leadership development can again be observed in two different viewpoints. The first viewpoint as explained by Collins (2002) is the affordability or compatibility of the organisation towards the LDP. Collins (2002) explained that organisational commitment towards a leadership development plan or program requires comprehensive support from the top management, HRD and employees. This brings into limelight the previously considered independent variable of the individual values. The primary in the studies in the context of the organisational commitment is that often organisational commitment and compatibility are used as synonyms in managerial terms, however; there is a clear line of distinction between them. For instance, an organisation may commit towards an LDP but may not be able to align their workforce with the objectives of the LDP because of reduced coordination between the management and the workforce.