P-ISSN: 2808-0467
E-ISSN: 2808-5051
Homepage: https://iss.internationaljournallabs.com/index.php/iss

LEADERSHIP SKILLS IN THE KUWAIT OIL AND GAS SECTOR

Alawi Taqi[1], Ameen Talib[2]
[1]*Kuwait Oil Industry, Kuwait*
[2]*School of Business, Singapore University of Social Sciences, Singapore City, Singapore*
[1] *aht0101@yahoo.com* [2] *ameentalib@suss.edu.sg*

PAPER INFO

Received: *March 2023*
Revised: *March 2023*
Approved: *March 2023*

ABSTRACT

Background: Kuwait is a major oil producer. The Oil and Gas Sector is a very complex and highly technical field that it is essential to have technical competencies.
Aim: This paper explores the leadership skills of third-line leaders in the Kuwait oil and gas sector.
Method: This paper addresses the leadership needs of the framework and how equipped are the third-line leaders in the oil and gas industry. Empirical evidence is collected by semi-structured interviews from the third-line leaders and the findings are presented. The sample size was 42 third-line leaders and data were collected through personal in-depth interviews.
Findings: The *Kuwaitisation* (localisation) policy and Kuwaiti attitude towards *wasta* and tribalism could have led to ill-equipped third-line managers. Proper training to upgrade the skills is essential. The fourth industrial revolution and the digital age including the internet of things has only augmented the urgency in new skills training.

KEYWORDS

leadership, Kuwait, leadership skills, third-line leaders

© The author(s). This work is distributed under the terms of the Creative Commons Attribution-ShareAlike 4.0 International License (CC BY-SA 4.0)

INTRODUCTION

Kuwait is a major oil producer and has accumulated wealth from oil. Favourable oil prices and increased demands in oil made the country wealthy with a stable economy. The oil prices has fallen sharply recently and thus hitting the economy as the country depended heavily on its oil production and exports. Prior to the oil price drop and Covid-19 pandemic, Kuwait had a strategy for the oil and gas sector that focused on developing production capacity, maximizing reserves growth, maximizing gas exploration and production, health-safety-environmental commitment, develop research and technology, enhance corporate culture and image, and enhance support services.

Kuwait is a developing country that has been experiencing rapid modernization and westernization based on exploitation of the world's fifth largest oil reserves. Kuwait Petroleum Corporation (KPC), established in 1980, encompasses all aspects of the oil industry. As a fully state-owned public entity owned by the government of Kuwait, it brings together all other state-owned elements of the Kuwaiti Oil and Gas Sector under one corporate umbrella. KPC's total assets are more than 17 billion Kuwaiti Dinars ($59 billion). KPC is a major contributor to the country's revenues and it is estimated that the revenues from oil comprise about half of the country's GDP (2009) ($64.83 billion) (World Fact Book, 2010). KPC owns ten subsidiaries inside and outside Kuwait.

Very little is understood about the applicability of the concept of leadership in the Arab World in general, and the GCC states, such as Kuwait, in particular. Potential inadequacies of Western models have been highlighted in the past when being applied to non-Western countries

(Smith et al., 2006). In short, to better target applicable leadership skills to the Arab region and achieve cultural congruence that can yield increased usefulness, Arab understandings of the topic must be fully incorporated (Hofstede, 1980, 1984; House et al., 2004).

According to Bolden (2010), leadership development is dominated by individualistic approaches that seek to enhance the intrapersonal attributes, interpersonal qualities, cognitive abilities, communication skills and task-specific skills of individual participants. Clarke (2012) states that the core components of leadership development includes skill-building, personal growth and feedback approaches as the core mainstream components.

The framework in Figure (1) is a development of framework recommended by Bolden (2005, 2010) and Burgoyne et al. (2004). From a distributed leadership perspective, it is necessary to study the impact of contextual factors particularly applicable to the Kuwait oil and gas sector, from a third-line leader viewpoint, on the leadership needs, leadership development, leadership behaviours and capabilities identified in the framework (Figure 1). The most important and relevant needs identified and consolidated leadership needs were business knowledge, technical skills, leadership and managerial skills, communication skills, decision-making skills and change management skills.

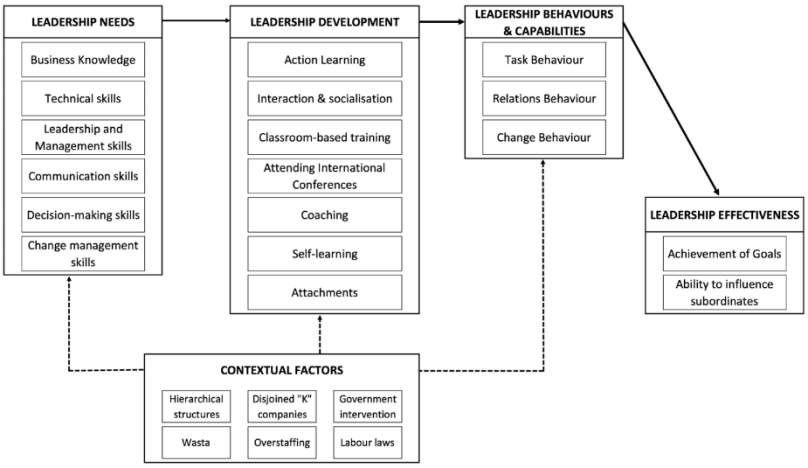


Figure 1. Leadership Needs and Development Framework

Effectiveness at task-oriented behaviours hinges on the ability to clarify task requirements and structure tasks around an organization's mission and objectives (Goussak et al., 2011). As the plans are implemented, it is important that first they are well communicated, and that there is a buy-in from subordinates. The duties and responsibilities of subordinates must be clearly denoted, with individual targets set and agreed with subordinates. Within the oil sector in Kuwait, part of the problem is that there is over-staffing, and roles tend to overlap and are ill-defined, sometimes creating confusion and lack of accountability and responsibility.

This aspect of the work ensures that the work is done accordingly, and where possible corrective action is taken. It requires gathering information about the operation's unit, having progress review meetings, taking corrective action where possible. Tools such as the Balance Score Card are being employed to facilitate this process and assess how well an organisation is achieving its objectives. However, within the Kuwaiti oil sector, a lack of discipline and the inability of managers to take disciplinary action hinders organisational performance.

As far as leadership development from a Western cultural perspective is concerned, the main barriers in Kuwait appear to be that tribal and familial interdependence remains deeply rooted, and this extends into both public and private organisations (indeed, the public-private distinction is of little utility in countries where governance and big business are pervaded by tribal oligarchies). The classical management preoccupation with efficiency remains compromised by traditional attitudes that place kin and tribal allegiances above all else. This tribal attitude stems from the concept of *asabiyah* and has led to proliferation of *wasta*. In many instances the ethical stance on *wasta* in Middle East is blurred (Talib, 2017).

The Oil and Gas Sector is a very complex and highly technical field that it is essential to have technical competencies. Furthermore, it is fundamentally important that with the advent of the *Kuwaitisation* (localisation) policy adopted by the government of Kuwait and as the existing leaders are succeeded by a new generation of leaders, their needs must be clearly understood from their own perspectives (a social constructivist perspective), and subsequently the development of such skills and competencies is necessary to ensure continuity and realisation of organisational objectives.

In addition, the emerging business environment now requires a new set of leadership skills that are aligned to the requirements of the future (O'Brien & Robertson, 2009). The dynamics and complexity of the Oil and Gas Sector places enormous demands on the management and leadership competencies at all organisational levels, but of particular importance to this study is the third level of leadership.

METHOD

Data was collected from third-line leaders in the Kuwait Oil and Gas sector. The sample size was 42 third-line leaders and data were collected through personal in-depth interviews. This was a semi-structured interview, and each of the interviews were carried out in the participant respective offices. Voice recorders was used with prior permission of the participants and after the interviews were completed, the data was transcribed, coded and discussed. The interviews discussed the leadership needs and the managers' skill base. The managers interviewed were asked to self-evaluate their skills.

The sample consisted of third-line managers in companies that are the most major firms in Kuwait (in view of the country's dependence on oil); to that end, top management has been trying to develop the needs of their employees through various initiatives, one of which was the initiation of the personal development program.

RESULTS AND DISCUSSION

Whilst some of the respondents felt they possessed the requisite leadership and managerial skills required for their jobs, others felt otherwise, and were of the view that top management were not aware of their needs. They felt that although the personal development program existed, it was outdated and that there was a need to determine the specific needs of junior leaders in view of the fast-changing technology within the Oil and Gas Sector. It was therefore important to investigate the skills and capabilities that these junior leaders or Team Leaders required to perform their duties.

Business Knowledge

It was important to establish from these Team Leaders how much knowledge of the business they had and why possession of such knowledge of the business was important when running the companies. The majority of these respondents therefore had general knowledge of the Oil and Gas Sector. They generally agreed that both leadership and managerial experience was important when occupying the position of a Team Leader. They mentioned that possession of both technical and administrative knowledge was important to be able to make effective decisions. Therefore, the immediate need required was possession of technical and administrative knowledge for these Team Leaders.

Technical Skills

The roles and responsibilities of Team Leaders require that they possess strong technical skills, as in the majority of cases they were heading technical units. Literally all the respondents highlighted the need for them to have technical skills, although in some cases such technical skills were lacking. The *Kuwaitisation* policy would appear to instigate appointment and promotion based on academic qualifications rather than experience, reflecting a shallow and limited concept of education and training on the part of the government (e.g. no notion of internships, apprenticeships, etc.).

Technical skills were identified as a requisite primarily because of the complex nature of the work in the Oil and Gas Sector. However, it was also highlighted that such technical skills were lacking in the majority of cases, partly because the function had been outsourced, and partly because many of the Team Leaders had been quickly been promoted to these positions because of the *Kuwaitisation* policy, and not enough transfer of knowledge had taken place between the more experienced personnel and the recently promoted Team Leaders.

Leadership Skills

Leadership and managerial skills were considered to be very important, as this was a junior leadership position. Managerial and leadership skills were considered to be very important and needed to be developed. This was considered essential in view of the fact that a Team Leader position was a junior leadership position and it required that the incumbent possess such skills. This was a view generally supported by most of the respondents.

Leadership in this case can be understood to imply the collective action, orchestrated in such a way as to bring about significant change while raising the competencies and motivation of all those involved. These leadership skills encompass the capacity to be a catalyst for strategic and cultural change, to achieve results; to empower others; leading planning teams and carrying out and improving value added work; supporting function and system and to exhibit a capacity to take initiation and influence others. Many of these Team Leaders are expected to fill the roles of leading processes, e.g. coordinating with upper management, leading the team in goal setting processes, providing overall leadership for the team, supporting team members in operations, planning and site processes.

Research shows that the management and leadership of people has a greater effect on productivity and profitability than the combined effects of strategy, quality, technology, and research and development (Zeus & Skiffington, 2000). Effective performance is derived from

coordinated and synchronised actions of multiple individuals who share responsibility for team outcomes especially in such large organisations such as those in the Oil and Gas Sector.

Communication Skills

Communication skills were identified as another important theme and this was more so the case in a society where communication tends to be top-down. It was highlighted that leaders ought to listen to the views of lower level employees and generally improve the communication within and across the organisations. It was important that the Team Leaders attentively listen to the needs of their subordinates and such skills were considered to be lacking. The participants stated that communication is important, especially when it comes to cascading the organisation's strategy downwards. This is important because in such organisations the Team Leaders and the lower-level employees might not be involved in the strategy formulation process.

Communication skills were considered to be very important for Team Leaders and leaders in general. There was a need to communicate not just top-down, as is the current practice, but to also bottom-up and laterally. It was important that communication skills be generally improved within all the companies, especially if the strategies were to be well understood and implemented properly.

Communication is the ability to present ideas through written and oral means and thereby maximizing understanding of the message by the audience. Communication skills within this context entailed active listening and appropriate and skilful use of language and use of body language. Kuwaitis by their very nature talk a lot amongst themselves as part of their socialisation. Whilst such communication may be considered as lateral, at the workplaces it was noted that possibly because Kuwait may be considered as a class society with people classified in different social strata, communication between top management and lower level employees and in particular with Team Leaders tended to be top-down. Such communication mechanisms did not lead to free flow of information amongst organisational members.

Leaders use formal and informal information flows to get the message out, to stay current, to learn about problems, and to shape the conduct of work and the way decisions are made. Informal information flows represent critical and often misunderstood processes whereby knowledge circumvents the formal processes because of sensitivity issues. The method of providing feedback (over time, indirectly versus in one long session) and the style of communicating constructive criticism (indirect and polite versus direct and frank) was an important consideration. To avoid maintaining the status quo and paint a picture of the desired new state for followers, leaders must communicate the need for change. Other organisational members need to understand why behaviours and routines need to change (Fiol et al., 1999; Kotter, 2007).

Decision-Making Skills

Another skill identified was the need for these Team Leaders to make informed decisions based ideally on proper analysis and justification. The findings showed that in majority of situations quick decision-making capability is required, but such skills were missing with most of the third-line leaders. It was noted that Team Leaders required decision-making skills more

so that their roles and responsibilities entailed making key decisions pertaining to their work and that of their subordinates.

Decision flows represent both the formal and informal sequence an organisation follows in making decisions. These include both vertical and horizontal sequences, specifically between management and operational levels and between and within departments. Knowing how decision flows work helps leaders leverage the flows to achieve their goals and to make changes to the decision flows that can help in achieving these goals. Information flows are critical in support of the decision-making flows and work flows because information provides the critical knowledge about internal and external factors that affect the organisation's management flows and how these flows respond to these factors.

Change Management Skills

Change is a driving force of leadership and management development. Change management skills within the Kuwait Oil and Gas Sector meant developing an organisational culture that embraces continuous learning and building support mechanisms to create and sustain change efforts, managing the change process, and encouraging individual as well as structural change in the organisation and dealing with complexities. Therefore, improving the adaptation skills of these third-line leaders is critical in helping them respond to new circumstances imposed from external factors outside of the direct control of the organisation.

Change management was considered to be an important leadership skill that was missing amongst the third-line leaders. Leaders must be adaptable to changing and challenging circumstances. A rigid one-way only approach leads to failure for the individual and the organisation. The personality of the leader is critical.

Most authorities agree that the main task of leaders is to bring about change and the importance of leadership is to bring about change (Burnes, 2004). However, it is important to note that much is said about how best to bring about such critical leadership skills. This is one of the reasons why Kotter's (1996) philosophy draws out the pressing need for change projects to be led by managers who have the necessary attributes to be able to implement them. Kotter (1996) recognises that leadership and change management are inextricably linked.

As noted by Burnes (2004), there is a need to pay attention to the potentially beneficial linkage between leadership development and organisational change. This is more so in the case of the Kuwait's Gas and Oil Sector, where change management projects have not been implemented successfully, possibly because these leaders lacked the requisite leadership skills and competencies. It is also important to note that one of the practical rationales for undertaking this study is Kuwait's inability to implement Oil and Gas Sector projects. It was for such reasons that it was important for these Team Leaders to identify their needs and map these against leadership development needs.

CONCLUSION

The Oil and Gas Sector, like most industries in the GCC, is undergoing a profound transition brought about by numerous factors, including technology, government policies, economic diversification and the globalization of the economy. The changing business landscapes require a different set of leadership skills at this leadership level in order for them to be effective. Preliminary results suggest that these emerging organisational leaders are

significantly under-prepared for the challenges that lie ahead, partly because they have been fast accelerated and assumed positions of responsibility without necessarily having been well cultivated with the necessary leadership competencies. The *Kuwaitisation* policy could have resulted in having third-line managers ill-equipped for the role. These third line managers are the future top leaders. Proper training to upgrade the skills is essential. The fourth industrial revolution and the digital age including the internet of things has only augmented the urgency in new skills training.

REFERENCES

Bolden, R. (2005). The face of true leadership, *European Business Forum*, *21*, 54-57.

Bolden, R. (2010). Leadership, Management and Organisational Development. University of Exeter.

Burnes, B. (2004). Developing Change and Leadership Capabilities. *Strategic Direction*, *20*(6), 24-26.

Burgoyne, J., Hirsh, W., & Williams, S. (2004). The Development of Management and Leadership Capability and its Contribution to Performance: The evidence, the prospects and the research need. *DFES Research Report 560*, DFES.

Clarke. N. (2012). Evaluating Leadership Training and Development: A Levels-of-Analysis Perspective. *Human Resource Development Quarterly*. 23(4), 441-460.

Fiol, C. M., Harris, D., & House, R. (1999). Charismatic leadership: Strategies for effecting social change. *The Leadership Quarterly*, *10*(3), 449-482.

Goussak, G. W., Webber, J. K., & Ser, E. (2011). Applying the full range leadership model to managing employees in the Las Vegas casino-gaming industry. *The Journal of Gambling Business and Economics*, *5*(1), 46-66.

Lonner, W. J., Berry, J. W., & Hofstede, G. H. (1980). Culture's consequences: International differences in work-related values. *University of Illinois at Urbana-Champaign's Academy for Entrepreneurial Leadership Historical Research Reference in Entrepreneurship*.

Hofstede, G. (1984). *Culture's consequences: International differences in work-related values* (Vol. 5). sage.

House, R. J., Hanges, P. J., Javidan, M., Dorfman, P. W., & Gupta, V. (Eds.). (2004). *Culture, leadership, and organizations: The GLOBE study of 62 societies*. Sage publications.

Kotter, J. P. (2007). Leading change: Why transformation efforts fail. In *Museum management and marketing* (pp. 20-29). Routledge.

Kotter, J. P. (1996). Leadership change. *Harvard Business School Press*.

O'Brien, E., & Robertson, P. (2009). Future leadership competencies: from foresight to current practice. *Journal of European Industrial Training*, *33*(4), 371-380.

Rees, C. J., & Althakhri, R. (2008). Organizational change strategies in the Arab region: A review of critical factors. *Journal of Business Economics and Management*, *9*(2), 123-132.

Smith, P. B., Achoui, M., & Harb, C. (2007). Unity and diversity in Arab managerial styles. *International Journal of Cross Cultural Management*, *7*(3), 275-289.

Talib, A. A. (2017). WASTA: The good, the bad and the ugly. *Middle East Journal of Business*, *12*(2), 3-9.

Zeus, P., & Skiffington, S. (2001). *The complete guide to coaching at work*. McGraw-Hill.