

Impact of Power Delegation and Peer Learning on Self-Sufficient within Oil and Gas Industrial Sector in UAE

Jassem Al-Ameri, Lincoln University College, Selangor, Malaysia

Osama Isaac, Lincoln University College, Selangor, Malaysia

Amiya Bhaumik, Lincoln University College, Selangor, Malaysia

Ahmed Hamoud Al-Shibami, Lincoln University College, Selangor, Malaysia

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Abstract

The dynamics of economy, competition, and growth of economy such as Emirates demands and the labor intensive nature of the Oil and Gas industry continue to challenge both operations and research. With the growth and transfer of management approaches and technology globally, organizational hierarchy continues to evolve. This pushing toward delivering high training and delegation some authorities to employees brought empowerment to the employees in order to be motivated. Self-sufficient employees may ensure to the companies that staff are capable to manage challenges as well as customize themselves with changes in the management approaches. The main objective of this study is to determine the factors effecting the employees self-sufficient within gas and oil industry in the UAE. Stratified random sampling is used for this study which refers to decide the target population into smaller subgroups (for ADNOC there are two major staff category which is international staff and local) which are called 'strata' after this, random samples are selected from one subgroup. The result assessment proceeded analysing 171 out of 184 respondents after the data screening completion. Structural Equation Modeling-Variance Based (SEM-VB) was utilized to examine the research model in this research, by using the SmartPLS 3.0 software. Result from the analysis shed lights on the impact of power delegation and peer learning on the employees self-sufficient. The proposed research model explained 46% of the self-sufficient. All the tested factors had a positive direct effect on the employee self-sufficient within oil and gas sector in the United Arab Emirates (UAE). The results of the current study have the potential to give further insights into strategies to improve the employees self-sufficient.

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I. INTRODUCTION

United Arab Emirates (UAE) is among the fastest growing economy in the world. Government of UAE seeks advanced technologies and welcome innovators to do their business in this emerging market [1]. ADNOC-3-million-daily-producer- is among the biggest national organizations that is not only responsible to secure profits from Oil and Gas trading [1], but developing and

sponsoring very skilled citizens to be able in the future takes the responsibilities and lead. Alamodi (2017) [2] described ADNOC's contribution to the national economy, in particular human power, as that Emiratis see ADNOC not only the company in charge of national Oil and Gas resources, but as among the main sponsors of training the human power and bring them with high qualifications in many fields required by national economy. Recently ADNOC went through major

reengineering and unified all subsidiaries in one giant united organizations [1-3]. Various global indicators have created a clear image that help in understanding the position of country level according to a set of measures that are recognized internationally [4, 5]. This step has been praised as it enable ADNOC to compete internationally as well as bring valuable opportunities to the local staff to manage and lead international company as ADNOC where the emphasizing on boost local experts to lead [3]. The new exist of ADNOC have significantly accelerates the plans that qualify local staff in order to take lead in this united giant organization [1].

The dynamics of economy, competition, and growth of economy such as Emirates demands and the labor intensive nature of the Oil and Gas industry continue to challenge both operations and research [6]. With the growth and transfer of management approaches and technology globally, organizational hierarchy continues to evolve. This pushing toward delivering high training and delegation some authorities to employees brought empowerment to the employees in order to be motivated [7-9]. Self-sufficient employees may ensure to the companies that staff are capable to manage challenges as well as customize themselves with changes in the management approaches.

The previous theories and model explicitly pointed that involving participants in decision process will increase their confidence, which eventually their self-sufficient. Finally, enabling participants to access resources provided with empowerment organizations increase their self-sufficient as they feel they are been trusted and consequently directly and indirectly empowered them, as it is proved that Positive recognition would have beneficial implications for youths' growing self-esteem and self-efficacy [10]. Kim, Crutchfield, Williams, & Hepler (1998) [11] also guided us in term of involving youth in leadership and decision-making process increase their self-sufficient. Similarly, The Empowerment Education (EE) model explicitly put emphasis on the development of skills and knowledge that support youth efforts toward social action and change and links individual empowerment to community organizing. The ultimate outcomes of the EE implementation is increased self-, collective-, and political-efficacy. The strong effect of EE developed by our study, is represented in the way participants is trained and educated. EE has a very good educational cycles (listening-dialogue-action-reflection cycle) that ensures participants really have learned all necessary skills to be independent in empowerment program implementation.

As Alsop & Heinsohn (2005) [12] described, there is three stages that can participants go through, which are "(1) whether a person has the opportunity to make a choice, (2) whether a person actually uses the opportunity to choose, and (3) once the choice is made, whether it

brings the desired outcome" [12]. Therefore; with this model, those three stages are described. Through the five factors (training, rewarding and recognition, power delegation and peer learning) provides all means to let participant to create or make the choice. The second stage is achieved by the self-sufficient because at this moment the participants decide that they have enough trust to continue and believe in the vision and ability to achieve it. Apart, Individuals with high self-efficacy are capable to overcome challenge [13]. For this reason, the proposed model sees that self-efficacy is effected by the power delegation, and peer learning. The dashed box surrounding training, rewarding, and power delegation because it has been revealed that their influence strongly effect when they are combined (or coherent) together [14].

II. LITERATURE REVIEW

A. Self-sufficient (SS)

Individuals with high self-efficacy are capable to overcome challenge [15]. For this reason, the proposed model sees that self-efficacy is the first stage before going empowerment. The self-efficacy theory emphasized on that employee armed with knowledge and experience is capable to overcome challenges, on other words self-sufficient qualified him to be empowered and be a leader [7]. Therefore, this study is seeing the middle location of self-sufficient is an appropriate because according to the theory of self-efficacy is that self-efficient employee is highly to be empowered.

B. Power Delegation (PD)

Previously, researchers emphasized on core of the empowerment is delegating decision-making entirely or partially to employees, but recently, this concept has been extended and covered not only involving the decision making process but also sharing authority and resources with subordinates, encouraging them to set their own goals, sharing information and knowledge and intensifying employees' self-efficacy and personal control [16].

On other hand; the Bond (2013) [17] summary for objectives- after assessing many empowerment programs stated that involving in decision making as the second objectives for any successful empowerment project implementation. Trusting participants and share with them the process of making decision particularly in any stuff related to them, may increase their self-sufficient and consequently, empowered people.

Then, power delegation to employees intends to provide employees with the freedom in their performing tasks to display autonomy at work [14]. Delegation is then recognized as the power transfer from the supervisor to the teams under, trust

employees and give the freedom to achieve assigned task in an autonomous way [18]. Consequently, the following hypotheses are proposed:

H1: Power delegation has a positive effect on Self-sufficient.

C. Peer Learning (PL)

How to develop skills and increase the experience of newcomers or recently joined employees? This is among the critical question that empowerment programs developers seek answer for it. Bond (2013) [17] found that peer learning is found among many empowerment projects as critical for success. Oil and Gas sector in UAE has so many local successful leaders that if they interact with the newcomers, they may motivate and aspire them. Knowledge is acquired by interact with them. The role model culture is very well established in Gulf countries and following steps of the successful leaders is practiced in

the society of Gulf countries including UAE. Consequently, the following hypotheses are proposed:

H2: Peer learning has a positive effect on Self-sufficient.

III. RESEARCH METHOD

A. Overview of the Proposed Conceptual Framework

Figure 1 depicts the conceptual model that was built on the review on the literature review. The values and beliefs of employee can be increased through peer learning. Consequently, improve the self-sufficient. Uncertainty as well could be removed peer learning, and considerably mitigated through sharing the vision with other employees and company itself. Moreover; gradually power delegation to employee may raise the confidence and eliminate uncertainty as employee that top management trust him/her.

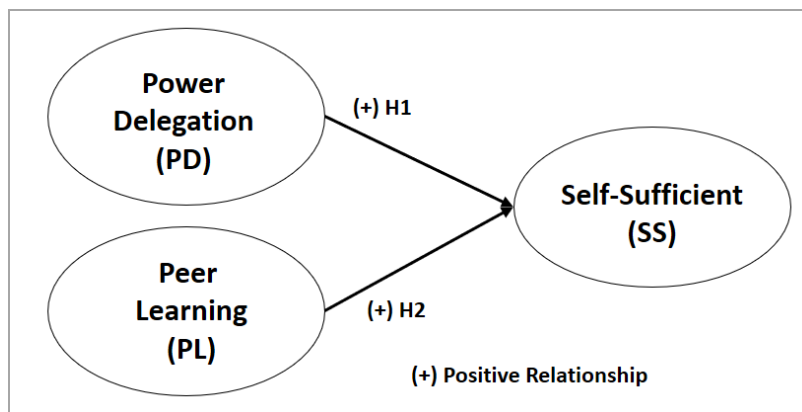


Fig 1. The conceptual framework

B. Development of Instrument and Data collection

According to Creswell (2009) [19], the responsive sampling design strategy will emphasize that the study has an acceptable number for effective data analysis. Stratified random sampling is used for this study which refers to decide the target population into smaller subgroups (for ADNOC there are two major staff category which is international staff and local) which are called 'strata' after this, random samples are selected from one subgroup. The result assessment proceeded analysing 171 out of 184 respondents after the data screening completion. Variables were measured using a Likert Scale which recommended in the previous studies [9, 20].

IV. DATA ANALYSIS AND RESULTS

PLS (Partial Least Squares) SEM-VB (Structural Equation Modelling-Variance Based) was employed to assess the research model by utilizing the software SmartPLS 3.0. Analysing Data through the second-generation multivariate data analysis technique which is SEM offers a simultaneous analysis which leads to more accurate estimates [9, 21].

A. Measurement Model Assessment

The individual Cronbach's alpha, the composite reliability (CR), The average variance extracted (AVE), and the factor loadings exceeded the suggested value as illustrated in Table 1.

Table 1: Measurement model assessment

Constructs	Item	Loadin g (> 0.7)	M	SD	α (> 0.7)	CR (> 0.7)	AVE (> 0.5)
Power Delegation (PD)	PD1	0.931	3.95 3	0.96 8	0.923	0.951	0.867
	PD2	0.923					
	PD3	0.939					

Peer Learning (PL)	PL1	0.928					
	PL2	0.934	3.98	0.94	0.949	0.963	0.867
	PL3	0.920	9	3			
	PL4	0.942					
Self-sufficient (SS)	SS1	0.904	4.02	0.94	0.909	0.943	0.847
	SS2	0.932	6	2			
	SS3	0.924					

Note: M=Mean; SD=Standard Deviation, α = Cronbach’s alpha; CR = Composite Reliability, AVE = Average Variance Extracted.

Key: PD: Power Delegation, PL: Peer Learning, SS: Self-sufficient

The degree to which the articles distinguish among concepts or measure different constructs is demonstrated by discriminant validity. Fornell-Larcker was employed to analyze the measurement model’s discriminant validity. Table 2 shows the outcomes for discriminant validity by employing the Fornell-Larcker condition. It was discovered that the AVEs’ square root on the diagonals (displayed in bold) is bigger than the correlations among constructs (corresponding row as well as column values),

suggesting a strong association between the concepts and their respective markers in comparison to the other concepts in the model. According to Hair et al. (2017), this indicates good discriminant validity. Furthermore, exogenous constructs have a correlation of less than 0.85. Therefore, all constructs had their discriminant validity fulfilled satisfactorily.

Table 2: Fornell-Larcker criterion

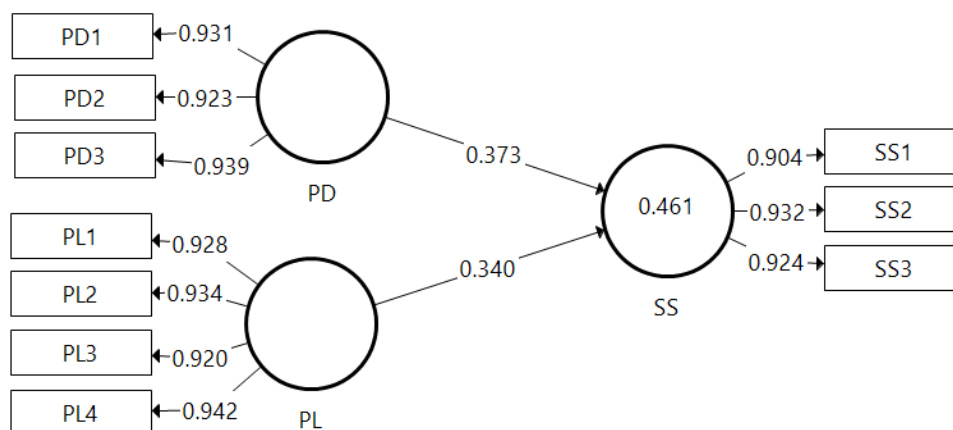
	<i>PD</i>	<i>PL</i>	<i>SS</i>
<i>PD</i>	0.931		
<i>PL</i>	0.811	0.931	
<i>SS</i>	0.649	0.643	0.920

Note: Diagonals represent the square root of the average variance extracted while the other entries represent the correlations.

Key: PD: Power Delegation, PL: Peer Learning, SS: Self-sufficient.

B. Structural Model Assessment

The structural model can be tested by computing beta (β), R^2 , and the corresponding t-values via a bootstrapping procedure with a resample of 5,000.



Key: PD: Power Delegation, PL: Peer Learning, SS: Self-sufficient.

Fig 2: PLS algorithm results

Figure 2 and Table 3 depict the structural model assessment, showing the results of the hypothesis tests. Power delegation and peer learning positively influence self-sufficient. Hence, H1 and H2 are accepted with

($\beta = 0.373, t= 4.293, p <0.001$) and ($\beta = 0.340, t= 4.040, p <0.001$) respectively. Power delegation and peer learning explains forty-six percent of the variance in self-sufficient. The values of R^2 have an

acceptable level of explanatory power, indicating a substantial model.

Table 3: Result of Direct Effect Hypotheses

Hypothesis	Relationship	Std Beta	Std Error	t-value	p-value	Decision	R ²
H1	PD→SS	0.373	0.087	4.293	0.000	Supported	0.46
H2	PL→SS	0.340	0.084	4.040	0.000	Supported	

Key: PD: Power Delegation, PL: Peer Learning, SS: Self-sufficient

V. DISCUSSION

The main objective of this study is to identify factors that influence employees' self-sufficient within Oil and Gas sector in United Arab Emirates. Two objectives were developed to achieve the main aim of the study, and consequently two hypotheses were proposed to achieve it. As expected, this study found that power delegation positively affects self-sufficient with ($\beta = 0.373, t = 4.293, p < 0.001$) among the employees within Oil and Gas sector, UAE. Almost all previous studies [10, 15] confirmed the considerable role of power delegation on self-sufficient, however, they were qualitatively studying and providing no empirical data as this study did. Regardless the context where researchers were working on (women, poor people, local communities, national projects), power delegation have gained approved among all as considerable influencer on self-sufficient. Thus, H1 was achieved.

Furthermore, this study found peer learning significantly influence self-sufficient in the context of Oil and Gas sector, UAE with ($\beta = 0.340, t = 4.040, p < 0.001$). This result comes in line with other relevant previous studies on the peer learning [10, 15]. This could be interpreted that participants find accompanying senior employees is building their confidence that will consequently be reflected on their performance and empowerment, despite their busy scheduled, in addition, despite tasks are already automated and the training has been given to new staff. yet, new staff and junior staff can work with the supervision and that reduces the time to accomplish their work. Thus, H2 was achieved.

In sum, oil and gas sector need to improve the power delegation and peer learning to improve the employees self-sufficient that will consequently be reflected on their job performance, innovation and empowerment.

VI. IMPLICATIONS

Since self-sufficient employees particularly in public sector is one of the main national strategy of United Arab Emirates, it is anticipated that the data resulting from this study will serve as a guideline for policymakers to develop efficient and effective plans to improve the quality of employees. In the Oil and Gas sector, it will determine the areas the management must focus on which will eventually lead to higher employees self-sufficient and improve the quality of accomplished tasks and outcomes. The findings of this study will be beneficial not only to an individual within the Oil and Gas sector but also to the country as a

whole. In other words, it will be very useful at three levels, individual, organizational, and national. Understanding the impact of considerable keys of employees self-sufficient (power delegation, and peer learning) to enhance human capital will be reflected in the enhanced performance of employees in Oil and Gas sector and other public organizations in United Arab United (UAE). The results of this study can thus be applied as a guide in the organization that teach human resource and training at the operational and introductory stages in United Arab Emirates particularly in the context of Oil and Gas sector.

VII. CONCLUSION

The development in management, human resource and psychology have made necessary to utilize them for better productivity. As the world becomes in a sense one village because of the internet revolution, it is natural that the free interflow of knowledge will change United Arab Emirates perceptions, expectations, professional practices, and even their quality of life. The very competitive employees become scarce resource and hard to maintain. Moreover, keeping them motivated and self-sufficient is another challenge. United Arab Emirates and in order to sustain its advances in economy and increase the international investment need to have self-sufficient employees to have sustainable productivity. Moreover, new theories and approaches always in trial and error to increase the self sufficient and become indispensable in the daily life of most organizations has significantly impacted every facet of operations in organizations.

Although United Arab emirates is among the highest public spending on employees training among the Gulf Cooperation Council (GCC) States Global Innovation Index, (2017a), and World Development Indicators (2016), United Arab Emirates move along slowly in term of quality of local employees Global Competitiveness Report (2017), which makes the initiatives and studies regarding the quality of work in United Arab Emirates as an urgent national issue. Empowered employees could play a major role to increase the quality of work and productivity and to overcome social or economic difficulties which may stall some employees from being motivated. Empowered employees and trained to be self-sufficient also could enhance the quality of their work. The findings of this study can provide policymakers with important insights on how to make a more successful approach to design and implementation employee self-sufficient programs within Oil and Gas organizations, and how to encourage senior management to create an

environment in which employees are more likely to work with high level of self-sufficient and empowerment, which consequently enhancing their productivity and effectiveness, and the quality of their working life.

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