

# **Project Leadership in Oil and Gas Industry: An Empirical Investigation in Kuwait**

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**Abstract:** This paper examines the major findings of a research project, analysing the leadership style of project managers in Kuwait with focus on oil and gas industry. The main objective is to identify the leadership style of project managers applying a model of intellectual, emotional and managerial competence (IQ, EQ, and MQ, respectively). The leadership styles are identified and the results indicate some differences in leadership behaviour of project managers compared to Western countries.

**Key words:** Project leadership style, Project success, Project management

## **1. INTRODUCTION**

In the context of general management, many studies have highlighted the fact that the manager's leadership style has an impact on performance of organizations (Dulewicz and Higgs, 2003; Zaccaro et al., 2001). This topic was neglected for a long period in field of project management. However, recently, the leadership skills of project managers have gained greater attention among practitioners and researchers. The leadership style of project managers is seen as one of the potential contributors to both project success and project failure. Many research projects have analysed the influence of project managers' style and competencies on project success (Crawford et al, 2003; Turner and Müller, 2006; Turner and Müller, 2007; Müller and Turner, 2010; Turner et al., 2009). According to outcome of the recent studies, different leadership styles would be appropriate for different types of projects and competency profile might also have an impact on project success.

The most internationally renowned initiative in global leadership differences was the GLOBE survey conducted by House et al. (2004). The data was collected from Egypt, Kuwait, Morocco and Qatar and the sample size in Kuwait was 78 and the results from these nations were not analysed separately and were aggregated as Arab region and the data from Turkey, which is a non-Arab country, was also added to the results. GLOBE study analysed data using the dimension of culture. In a later study, clusters were defined representing 10 groups based on culture (Northouse, 2007, p.308): Anglo, Latin Europe, Nordic Europe, Germanic Europe, Eastern Europe, Latin America, Middle East, Sub-Saharan Africa, Southern Asia and Confucian Asia. According to the outcome, in the Middle East the leadership emphasized status and face saving. Other outcomes are value-based and groups oriented leadership style. The shortcoming of GLOBE studies is that a set of isolated attributes, which are characteristics of effective leaders are analysed and situational effects are not considered.

Some research initiatives and centres have been established such as Kuwait Program on Development, Governance and Globalization in the Gulf States at London School of Business (LSE), however, the field of Leadership especially in Project Management has been neglected in this initiative (KPDGGS - LSE, 2016). On the other hand, most research studies in Leadership style on both general management and project management has been conducted in western countries and there is a gap in research in Gulf Cooperation Council (GCC) countries, especially in Kuwait.

The current study is expected to be appreciated by both researchers and training designers and might offer a better understanding of impact of leadership style on project success and also support the development of leadership skills of project managers. It would also help human capital responsible in organizations, to develop appropriate leadership preparation programs for project managers as well as degree programs for project managers. In addition, the findings might contribute to the limited body of empirical studies of project management in Kuwait. The main aim of this research project is to analyse if project manager’s leadership style has an impact of project success and if different leadership styles should be applied to different types of project.

## **2. LITERATURE REVIEW**

Based on review of literature, a number of authors identified six major schools of modern leadership (Avolio et al., 2009), which are summarized in table 1.

**Table 1:** Summary of six modern schools of leadership

<b>School</b>	<b>Main idea</b>	<b>Reference</b>	<b>Period</b>
Trait	Effective leaders show common trait	Kirkpatrick and Locke (1991)	1930s–1940s
Behaviour	Effective leaders adopt certain style	Blake and Mouton (1978), Tannenbaum and Schmidt (1958)	1940s–1950s
Contingency	Effectiveness of leaders depends on situation	House(1971)	1960s–1970s
Charismatic	Transformational (relation) and transactional (process)	Bass (1985), Avoli and Bass (1991), Bass and Bass (2008)	1980s–1990s
Emotional Intelligence	Emotional intelligence has more impact compared to intellect	Goleman et al.(2002)	2000s
Competency	Effect leaders demonstrate certain competencies including traits, style and behaviour	Dulewicz and Higgs (2003)	2000s

The trait school believed that effective leaders exhibit certain traits, which they may have been born with. The school of behaviour assumes effective leaders demonstrate a given behaviours, which can also be further developed. The school of emotional intelligence assumes that effective leaders have a certain level of intelligence, which can be developed. And the school of competency believes that specific competency profiles should be applied in different situation.

All six schools agree that different leadership styles are appropriate in different situations and different contexts. The project management literature has emphasized on school of competency. According to Turner and Müller (2006), different project management styles and competency profiles are appropriate for different types of projects and this is consistent with findings in general management research. There, this study attempts to examine project manager’s leadership competencies in Kuwait and intends to consider the theoretical relation between leadership competencies and project success. The competency school of leadership emphasizes on key competencies of effective leaders and one of the most important studies is the works of Dulewicz and Higgs (2003).

They identified three main clusters for assessing leadership style of project manages. A total of 15 leadership dimensions are defined as three clusters, namely, intellectual competencies (IQ) seven emotional competencies (EQ) and five managerial competencies (MQ). Table 2 is summarizing the fifteen leadership competencies.

**Table 2:** Summary of fifteen leadership competencies adopted from Dulewicz and Higgs (2003)

Leadership competency	Dimensions
Intellectual competencies	<ul style="list-style-type: none"> <li>• Strategic perspective</li> <li>• Vision and imagination</li> <li>• Critical analysis and judgment</li> </ul>
Emotional competencies	<ul style="list-style-type: none"> <li>• Motivation</li> <li>• Conscientiousness</li> <li>• Sensitivity</li> <li>• Influence</li> <li>• Self-awareness</li> <li>• Emotional resilience</li> <li>• Intuitiveness</li> </ul>
Managerial competencies	<ul style="list-style-type: none"> <li>• Managing resources</li> <li>• Engaging communication</li> <li>• Developing</li> <li>• Empowering</li> <li>• Achieving</li> </ul>

The main objective of this study is to examine the leadership style of project managers in oil and gas industry in Kuwait. The survey in this study was developed based on Dulewicz and Higgs (2003) theory; however, connections to project success are not analysed.

### **3. RESEARCH METHODOLOGY**

Kuwait has a petroleum-based economy and petroleum is the main export product and half of GDP and 94% of export revenues and government income are from this source (The World Fact book, 2016). Due to above mentioned facts, most mega projects in Kuwait are in Oil and Gas industry, and the main reason of conducting this study in oil and gas.

After the expert interviews, we found out, that access to information such as project types, project contract type and complexity of project, which could be used as dependent variables, is a very challenging task at this stage. Another challenge would have been collecting information related to performance measurement of projects. Therefore, an exploratory approach is applied in this study and a self-rating leadership dimensions questionnaire (LDQ) developed by Dulewicz and Hugs (2005) is used to collect data from project managers in oil and gas industry.

The LDQ was selected as it provides an indication of respondent's leadership competencies and has been deployed in a variety of organizations. LDQ is a reliable instrument and all dimensions reach acceptable level of reliability (Cronbach's alpha > 0.7) and some dimensions such as vision, engaging communication and managing resources even score a higher reliability (Cronbach's alpha >0.8). The questionnaire was translated to Arabic and again back to English and minor changes were applied in translation. The survey was first piloted for five weeks using 15 respondents and minor changes were applied to translation and understanding of the questions. Finally, the data was collected in December 2015. 100 questionnaires were distributed and out of 100 distributed questionnaires 56 returned completed resulting in 56% usable responses. The sampling procedure was simple random sampling among project managers in oil and gas industry and respondents were only Kuwaiti nationals with more than 4 years' experience in managing projects. The researcher visited all respondents and

briefed them on objectives of the study. The respondents were also given guidelines in answering the questionnaire.

## 4. RESULTS

The main objective of this study is to analyse the leadership style of project managers in oil and gas industry in Kuwait. According to demographic data, only 3 participants in age scale of 18 to 28 and 2 participants over 50 responded to the questionnaire. It is also interesting, that there were only 2 female participants. Arami (2016) examined the differences in leadership styles between male and female managers in Kuwait from all industries and 38% of respondents were female.

**Table 3:** Respondents demographics

<b>Variable</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Age</b>		
18 - 28	3	5%
<b>29 – 39</b>	20	36%
40 – 50	31	55%
>50	2	4%
<b>Gender</b>		
Male	54	96%
Female	2	4%
<b>Years of service</b>		
4-10	18	32%
11- 15	23	41%
>15	15	27%
<b>Level of education</b>		
High School	0	0%
Diploma	8	14%
Bachelor	29	52%
Master	19	34%
PhD	0	0%

**Table 4:** Summary of project managers self-rating in Kuwait

	<b>Mean</b>	<b>SD</b>
<b>MQ Dimension</b>		
Managing resources	5.54	1.65
Engaging communication	5.56	1.70
Empowering	5.06	1.69
Developing	5.40	1.73
Achieving	5.46	1.68
<b>EQ Dimension</b>		
Self-awareness	5.17	1.96
Emotional resilience	5.21	1.84
Intuitiveness	5.52	1.55
Sensitivity	5.33	1.84
Motivation	5.15	1.53
Conscientiousness	5.21	1.84
<b>IQ Dimension</b>		
Critical analysis	5.06	1.69
Strategic perspective	5.27	2.01
Vision	5.75	1.70

Kuwait has the highest female employment ratio among GCC States and 54% of female are employed (Labor force Kuwait, 2014), it might be interesting to analyse the reasons of low interested of female in project management occupation. 52% of project managers are Bachelor holders and 41% have 11-15 years of work experience. Detailed demographic data is presented in table 3.

The scores that project managers assigned to themselves are presented in table 4. The highest scores were 5.75 in vision and 5.56 in engaging communication and the lowest scores 5.06 in critical analysis and empowering. These findings are different to results of a study by Geoghegan and Dulewicz (2006, 2008) using the LDQ. Also other studies have lower scores in vision and higher scores in empowering. Another finding by Geoghegan and Dulewicz (2006, 2008) are high scores in conscientious and sensitivity, which is scored 5.21 and 5.33 by project managers in Kuwait.

The high score in vision might be related to the fact, that project management is still not seen as a profession and projects are managed mostly by line managers. On the other hand, all three dimensions in emotional competencies as defined by Dulewicz and Higgs (2005), were relatively high scored and this might be the result of the amount of activities, project managers spend on leadership activities such as dealing with stake-holders and influencing them to obtain commitment. The high score in engaging communication might also have cultural background and should be investigated in future studies.

The lowest score in emotional intelligence was critical analysis and this might be influenced by the structure of the organization. According to Bellingham and Gibson (2016), the current organizational structure in Gulf Cooperation Council (GCC) States is authoritarian and hierarchical and The decision making process is centralized, which leads to low adaptability to many organizational practices common in Western countries. This might be a reason for lower scores in critical analysis.

## **5. DISCUSSION**

The purpose of this study was to investigate the competency profile of project managers in oil and gas industry in Kuwait. The LDQ was selected to collect indications of respondent's leadership competencies. The LDQ descriptive data provides information based on the target sample groups and some findings are not in line with findings in other cultural context.

The high scores in vision are unusual for project managers in Western countries and there is an emerging need for further investigations. The lowest scores were empowering and critical thinking, which might be influenced by the structure of the organization and needs further investigation. However, the general scoring has shown, that important aspects of leadership are related to emotional competencies. It will be also interesting to investigate the correlation of leadership dimensions with project success.

## **6. CONCLUSION**

### **Limitations and directions for further research**

The results of this research have theoretical and practical implications. With regard to theoretical implications, this study analysed leadership style of project managers in oil and gas industry, however, the contextual issues were not take into consideration also the relationship to project success was not investigated.

With regard to practical implications, this study allows a better understanding of leadership competencies of project managers. However, the majority of work force in Kuwait is non-Kuwaiti. Analysing the differences among different nationalities and the impact of project success might add value to body of research in this area. Another aspect is the fact that 85% of work force is in public sector and differences among private and public sector should be further investigated.

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