

# The Influence of Leadership Styles On Service Quality within ADNOC Company, Abu Dhabi

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## Abstract

The aim of this paper is to identify the influence of transformational and transactional leadership styles on the service quality of ADNOC company in the United Arab Emirates. The quantitative methodology was applied in this paper. A total of 152 respondents participated in this study. The results revealed that the transactional leadership style has a significance impact on the service quality of ADNOC company in ADNOC company. Meanwhile, the transformational leadership style has shown no significant impact on the service quality provided by the ADNOC company in ADNOC company.

**Keywords:** Transformational Style, Transactional Style, Service Quality, ADNOC, UAE.

## INTRODUCTION

The oil sector includes all prospecting, extraction, refining and transport, mostly by tankers and pipelines, and the promotion of petroleum products (De Almeida et al., 2016). The most urgent ingredients here are fuel, oil and gasoline. Oil is also the raw material of many manufactured materials, including pharmaceuticals, solvents, fertilizers, pesticides and plastics. The oil division is usually divided into three main areas: upstream organizations, focal projects and downstream organizations. The center work is usually included with downstream tasks.

The United Arab Emirate (UAE) is one of the Middle East countries. In 2013, the population of the UAE was 9.2 million, of whom 1.4 million were UAE nationals and 7.8 million were non-nationals. Abu Dhabi is the capital of the UAE, while six other emirates are Ajman, Dubai, Fujairah, Ras Al Khaimah, Sharjah and Umm Al Quwainb govern by a Governor. One alongside the other, they constitute a complementary system to the Federal Supreme Council. The ruler (usually the Emir of Abu Dhabi) is elected as President of the UAE, Islam is the official religion of the UAE and Arabic is the official language (although English, Urdu

and Hindi are generally spoken, with English as the tone of business and training, especially in Abu Dhabi and Dubai). The UAE has a decent framework for the entire nation, especially for Abu Dhabi and Dubai (DFAT, 2017).

## Literature review

Commandant James McGregor Burns presented the idea of transformational leadership in 1978. He described transformational leadership as a procedure where leaders and devotees raise each other to greater amounts of deep quality and inspiration (Burns, 2003). Bass (1985) agreed that a leader with transformational style must be a model of respect and fairness, sets clear objectives, has high requirements, supports others, provide assistance and recognition, blends the feelings of individuals, stimulates individuals to look past, and encourage individuals to be more questionable.

By definition, the transformational leaders motivate others to see them, push this view on restraint, show confidence in themselves and their main goal, and raise others to help their central goal (Banks, McCauley, Gardner, & Guler, 2016; Dvir, Eden, Avolio, & Shamir, 2015). They have been depicted as worrying in

their dynamic approach to influencing others. The transformational leaders do not tend to coordinate certain exercises as much as changing the inclination, recalling symbolic images and desires. It is developing new ways of dealing with long-standing issues and opening up new alternatives. These leaders make enthusiasm. Through high-level jobs, they seek risks, especially when opportunities and rewards seem high (McCleskey, 2014). This study did not discover any contextual investigations of leaders on the basis of values, and the style of electoral leadership in the hypothesis of transformational leadership (Roueche, Baker III, & Rose, 2014).

Transformational leadership is among the later leadership theories. It focuses on the ability of the leader to move the worshipers, by focusing on a dream that can change the structures around the assembly. Its goal is clear when you basically take the gender into word working hypothesis about: change. In the Transformational method, it may be the individual leader who excites and activates others to achieve remarkable results. On the other hand, transformational leadership approaches this change in people and social frameworks (Kotlyar & Karakowsky, 2007). And promote the inspiration, assurance and implementation of his supporters through a variety of components (Albritton, 1998). These include the transfer of importance committed to the personality and task of self and personal total commitment; and make a good example for the worshipers to move them. Of his worshipers, so the leaders can adjust the followers of activities that promote improvement in operation (Odumeru & Ogbonna, 2013). The advanced system of transformational leadership depends on the exploration and compositions of Bass (1985). Bass expanded Burns' ideas in 1985 in leadership and performance. His concern was the mental tools that affect transformational leadership, giving a test to assess the transformational capacity of the leader.

Leader transactions, otherwise called administrative leadership or managerial leadership, focuses on supervision, association, and implementation. Transactional leadership is the leadership style promoted by leaders through awards and disciplines (Singh, 2016). Not at all like transformational leaders, those who use the transaction approach do not hope to change the

future; they hope to keep things the same. Leaders who use transaction leadership as a model focus on the work of supporters taking into account the ultimate goal of discovering deficiencies and deviations. This type of leadership is successful in emergencies and crises, in addition to projects that should be done in particular (McCleskey, 2014).

Transactional leader is responsible for maintaining routine through supervision of single implementation and encouraging collection of implementation (Ohunakin, Adeniji, & Akintayo, 2016). This type of leader sets the standards for their workers as outlined in the basic conditions described above. Implementation audits are the most well-known approaches to judging representative implementation. Work, or managerial, leaders work better with representatives who know their employment and pay by reward framework. The current conditions of the association are maintained by driving transactions (Javed, Jaffari, & Rahim, 2014).

Another model of leadership was particularly relevant to this investigation of qualities and leadership practices, a model of the values of the administrative parts of Quinn (1988). The structure of the corresponding strategies identifies four typical frameworks of leadership, human relations, internal processes, and the vertical goal separated from the center (external versus inward to the assembly) and the introduction (adaptability vs. control). It found different similarities between the structure of the disputed symmetry and the transformational driving hypothesis / coefficients. In terms of transformational driving practices, parts of the scientific induction and researcher of transformational leadership reflected parts of the open-source model of pioneers (innovative critical thinking, change and adaptation) and trader (power, influence, and access to assets) (Singh, 2016). Human relations of the facilitator (peacemaking, participatory basic leadership) and the guide (human asset improvement) Reflective thinking reflects individual transformational leadership and support of others The focus of transaction leaders on subordinates' implementation of hierarchical objectives was reflected in the parts of the internal procedure model of the regulator For the missionary and coordination and cash control) and the screen (data management, basic logic),

the standard model parts of the maker (profitability and effectiveness) Quinn killer that being an "Ace administrator" required frequently modify the synchronized astigmatisms and the basic requirements of the eight administrative parts. Power throughout while maintaining the exterior and inner focus in the foreground, and all of the control reliability and adaptability (McCleskey, 2014).

Service quality is any organized and productive activity consisting of processing customers with equities and services of reasonable quality, close to the conviction that things meet the requirements of buyers. The majority of the literature regarding quality recognized the service quality definitions characterized the ideal quality of service as quick transportation, giving OK, usable thing, consistency, wiping out waste, doing it right, and compliance with controls and systems. Early examinations in the mid-1980s focused on understanding the quality of service proposed to customers and making frameworks to meet customer needs (Anantharathan Parasuraman, Zeithaml, & Berry, 1985). The pioneers of services offered in Europe, especially the North School, felt that the quality of the service included two hidden estimates.

Lehtinen and Lehtinen (1982) observe material and instinctive quality while Grönroos (1984) views a particular estimate, a useful estimate and the image of the organization as a third estimate. In subsequent years, Arun Parasuraman, Zeithaml, and Berry (1988) practically verifying the control of five workers for services that provided that five more reasonable estimates of access to clear service quality were created. The development of the start-up work of the North School of Service Organization and especially Christian Gronroos, have developed quality of service as a pivotal point of view services.

The 1985 conspiracy plot was conceived as a concept of quality of service as a gap between buyers' desires and perceptions (Parasuraman et al., 1985) and prompted many distinguished researchers to review the service quality model within the premise of Zeithaml, Parasuraman, Berry, and Musacchio (2000). Great deals of studies have been conducted to link quality of service with customer behavior. As Cronin (2000) noted, the exploration process involving six companies proved that quality service is precisely defined with customer behavior. There

are a few specialists, however, while in principle the exchange of views by Kumar and Reinartz (2016) assert that all customers may not be useful to the association after a span of time. They build their disagreement in the light of the assumption that a long-term client may end up buying a less-extended purchase or be less honest for an association. Quality service directly affects customer maintenance. Early studies in the 1980s focused on knowing the quality of customer service and creating systems to meet customer needs (Parasuraman et al., 1985). The first pioneers of services quality offered in Europe, especially the North School, felt that the quality of service consisted of a few hidden measurements (Dabholkar, 2015).

## Methodology

The population for this research was focused on the influence of leadership styles on price satisfaction and service quality, targeting employees and customers for the ADNOC company in UAE. As the unit of analysis of this study is industrial level, the total population of this study is 250 managers from 50 oil and gas company in the UAE. The questionnaires' feedbacks are going to be analyzed in depth. Statistical Package for Social Scientists (SPSS) package will be used to analyze the structured data of the feedbacks. The measurements of the leadership styles are adopted from the study of Northouse (2015), while the measurement of the service quality factor are adopted from the study of Anantharathan Parasuraman, Zeithaml, and Berry (1998).

## Findings

Table 1 shows the respondents' profile, the gender had two major types from the sample of 152 participants, which are male and female. The Male type had 74.3% with n=113 participants. The Female type had 25.7% with n=39 participants. The age had five major types from the sample of 152 participants, from 26 to 30 years old type had 32.2% with n=49 participants. From 31 to 35 years old type had 17.1% with n=26 participants. From 36 to 40 years old type had 10.5% with n=16 participants. Above 40 years old type had 24.3% with n=37 participants. The education level had three major types from the sample of 152

participants, which are diploma, bachelor, and master. The Diploma type had 22.4% with n=34 participants. The Bachelor type had 64.5% with n=98 participants. The Master type had 13.2% with n=20 participants. The income level had three major types from the sample of 152 participants, which are USD500 - USD750, USD751- USD1,000, and USD1,001 and above. The USD500 - USD750 type had 3.9% with n=6 participants. The USD751- USD1,000 type had

10.5% with n=16 participants. The USD1,001 and above type had 85.5% with n=130 participants. The experience had three major types from the sample of 152 participants, which are 1 to 3 years, 4 to 6 years, and 7 to 9 years. The 1 to 3 years type had 14.5% with n=22 participants. The 4 to 6 years type had 40.1% with n=61 participants. The 7 to 9 years type had 45.4% with n=69 participants.

Table1: *Respondents' profile*

Category	Frequency	%	Category	Frequency	%
<b>Gender</b>			<b>Education level</b>		
Male	113	74.3	Diploma	34	22.4
Female	39	25.7	Bachelor	98	64.5
<b>Age</b>			Master	20	13.2
17-25 yrs	24	15.8	<b>Income level (USD)</b>		
26-30 yrs	49	32.2	500 - 750	6	3.9
31- 35 yrs	26	17.1	751- 1,000	16	10.5
36- 40 yrs	16	10.5	1,001 and above	130	85.5
> 40 years	37	24.3	<b>Experience (Yr)</b>		
			1 to 3	22	14.5
			4 to 6	61	40.1
			7 to 9	69	45.4

The KMO and Bartlett's Test is used as a part of the reliability of the research sampling. This test is used to measure the adequacy of sampling to the research. According to the obtained results,

the sampling adequacy for each variable is adequate because the found value is 0.838 as in Table 2.

Table 2: *KMO and Bartlett's Test*

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.838
Bartlett's Test of Sphericity	Approx. Chi-Square	1482.252
	df	136
	Sig.	.000

The factor loading test is applied to the research variables to find out if the correlation among the research variables. Based on the obtained results, the factor loading test shows great correlation among the research variable, where the lowest value found was 0.738 and the highest value found was 0.931. Table 3 shows the results.

Table 3: *Factor loading*

	Component		
	1	2	3
SQ1	.840		
SQ2	.786		
SQ3	.782		
SQ4	.780		
SQ5	.776		
SQ6	.758		
SQ7	.753		
SQ8	.738		

TRF1		.833	
TRF2		.784	
TRF3		.781	
TRF4		.775	
TRF6		.767	
TRF5		.758	
TRS2			.931
TRS3			.901
TRS1			.895

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

The normality test consists of the Skewness and Kurtosis, these factors are used to make sure that the normal sampling distribution of the questionnaires was applied in the research. Based on the Skewness values for the three variables transformational leadership, transactional leadership, and service quality - 1.115, -1.727, and -1.736 respectively.

Table 4: *Normality Statistics*

	TRS	TRF	SQ
Skewness	-1.115	-1.727	-1.736
Std. Error of Skewness	.197	.197	.197
Kurtosis	-.114	2.426	2.910
Std. Error of Kurtosis	.391	.391	.391

Reliability test is used to ensure that all the research items are consistence. The result states that all the research variables are reliable with the values of 0.868, 0.907, and 0.902 for transformational leadership, transactional leadership, and service quality respectively.

Table 5: *Reliability test*

Variables	No of Items	Cronbach's Alpha

Transformational Leadership Style	6	0.868
Transactional Leadership Style	3	0.907
Service Quality	8	0.902

The collinearity test is applied to the independent variables of the construct. According to Ringle, Wende, and Becker (2015)"5" as the maximum level of VIF so the VIF for transformational leadership and transactional leadership are 1.017 and 1.017. Table 6 shows the results.

Table 6: *Collinearity test*

	Tolerance	VIF
Transactional Style	.983	1.017
Transformational Style	.983	1.017

Regression test is applied to the study to identify the relationship of the independent variables with the dependent variable. According to Table 7, the  $R^2 = 0.42$  and the model explains the relationship between transformational leadership and transactional leadership with service quality at 42% and rest of the relationship might be explained by other variables. The regression test is used to predict the outcome from the model in hand. Based on the regression test, the model developed as transformational leadership has a significant and positive influence at confident level 90% on the service quality of ADNOC company in United Arab Emirates ( $\beta=0.082$ ,  $t=1.959$ ,  $p=0.052$ ). Also transactional leadership has a significant and negative influence on the service quality of ADNOC company in United Arab Emirates ( $\beta=-0.006$ ,  $t=-0.085$ ,  $p=0.932$ ) as in Table 7.

Table 7: *Regression test*

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	4.092	.350		11.681	.000
TRS	.082	.042	.160	1.959	.052
TRF	-.006	.075	-.007	-.085	.932
Adjusted R <sup>2</sup>	0.42				

## Discussion

Based on the model, this casual effect portrays from different perspectives of respondents. The model demonstrates leaders' and customers' perspectives. According to the analysis, leaders within the oil and gas industry in the UAE showed their characteristics of transformational leadership styles and then contributed to the service quality in their industry. From the leaders' perspective, for every one-unit increase in transformational leadership styles, service quality would not affect the oil and gas industry in the UAE. Hence, the proposed hypotheses from the leader's perspective are not acceptable. This result coincided with what was established in other studies (e.g. Barbosa, Gambi & Gerolamo, 2017; McFadden, Stock & Gowen III, 2015; Thomsen, 2014). It means that transformational leadership style will directly affect service quality in some cases, while in other cases there is no proved effect. Hence, when transformational leaders focus on building a sense of duty in terms of organizational goals and then enabling followers to achieve those goals, this can be considering as antecedents to service quality. The model demonstrates leaders' and customers' perspectives. According to the analysis, leaders within the oil and gas industry in the UAE showed their characteristics of transformational leadership styles and then contributed to the service quality in their industry. Meanwhile, from the leader's perspective, for every one-unit increase in transactional leadership styles, service quality would not affect the oil and gas industry in the UAE. Hence, the proposed hypotheses from the leader's perspective are not acceptable. This result rejects what was proposed by Pahi and Hamid (2015) and Schaubroeck et al. (2016). This study found that transactional leadership has no significant effects on innovative and

committed to keep up with quality services provided to the customers.

## Conclusion

The aim of this paper was to identify the impact of transformational leadership and transactional leadership on the service quality of ADNOC company in United Arab Emirates. This paper stand by two different measures, the first is a review of the literature review and the second is the investigation based on the conceptual framework. In this paper, several discussions were involved such as providing an introduction to the subject, literature review, methodology, findings and conclusion. This paper has found out that there is positive and significant relationship between transformational leadership and the service quality of ADNOC company in United Arab Emirates. This paper also found out that there is negative and significant relationship between transactional leadership and the service quality of ADNOC company in United Arab Emirates.

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