# The effect of change in organization culture in dragon oil essay sample

Business, Management



The dissertation is meant to find a relation between organizational culture and the change in management by means using a valid subject as case study. The author utilized Dragon Oil as the case subject to understand how a relatively unknown oil drilling company has become the talk of the town after going through a change in management around 2008.

The dissertation addresses a brief history of the organization and its achievements in the wake of the management change and then conducts a thorough research in the literature review to understand numerous concepts that may be helpful in bringing out a positive and performance enhancing organizational culture in any organization. Factors like organizational change, role of leadership and working conditions that affect the performance of an employee are given detailed importance by factoring in a number of credible researches related to the subject.

To cement the hypothesis, qualitative and quantitative research methodology in the form of questionnaires and semi structured interviews respectively is used on the current employees of Dragon Oil and a conclusion has been reached based on those findings.

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## 1. Introduction:

An organization works very much like a living organism. Despite of the fact that the heart controls the core functions of the body of any living being, the profound importance of the term" Mens sane in corporesana " roughly translated as a sound mind for a healthy body. Ancient monks from Tibet and Gurus from the shores of Ganges spent their entire lives in order to achieve oneness between mind and body which for them was the true elixir of life. Quite similarly, leadership at the helm of an organization not just represents the organization but is also the vitalizing force that makes the organization thrive and succeed in its goals.

There are countless organizations that despite of having immense potential often find themselves in narrow straits and see their efforts mired by uninspiring leadership. How an organization emerges from such dire conditions is something that completely relies on its leadership and a drastic makeover of the organizational culture. Both these factors have sublime impact over growth and plummet of an organization and make the endostructure of this dissertation. By putting forth the example and analysis of my organization, I seek to bolster the notion change in the organizational culture is very much dependant on competent leader ship.

# 1. 1 Dragon Oil: A retrospective on the hibernating dragon

Established 12 years ago, Dragon Oil was fortunate enough to acquire a dilapidated site like Cheleken Contract Area which is off the coast of Turkmenistan. With dedication and effort, Dragon Oil established itself as a

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distinctive oil producing entity and worked really hard to be in league with the major players of the field. However, by the end of 2007, the company did not appear to have been making the mark it should have despite of producing as much as 25, 000 barrel oil from its drilling sites in Turkmenistan, which may not be a very respectable number for a drilling company but was not bad as well. Dragon Oil had retained this average for a long time and had not shown any significant improvements in the revenues and the profits were barely marginal.

The board of directors in 2008 decided that the current CEO who was also overseeing the affair of affairs of ENOC (which held the company's majority of 48% shares) could not pace forward two organizational bodies at once.

Upon board's decision, Dr Abdul Jaleel Al Khalifa was appointed as the CEO of the company to turn the things around in an organization that had so much potential and changes did come.

The appointment of Dr Abdul Jaleel Al Khalifa marked the upward journey of Dragon Oil which had been stuck in the plateau for the better part of a decade. Dr Abdul Jaleel Al Khalifa was not just an affluent individual who was simply good at being a boss. Dr Abdul Jaleel was an individual who had extensive experience in the oil business with a doctorate in petroleum engineering from Stanford University. Having worked on key posts of Saudi Aramco and acting as a president of International Society of Petroleum Engineering, Dr Abdul Jaleel's more than impressive portfolio proved to the just the right kind of asset Dragon Oil had required. With sights firmly on the target of producing more oil and being in league with the big shots of the

industry, Dr Abdul Jaleel transformed the rather lethargic organization into a powerhouse who empowered employees.

## 1. 2 The Dragon Awakens:

Actions speaks louder than words and Dr Abdul Jaleel's efforts spoke for itself as the small company of merely 700 employees swelled to 1300 within a span of five years and the bopd rate increased from 25, 000 to an impressive average of 70, 000. When ENOC sought to purchase the remaining shares of Dragon Oil in 2009, the radical changes in the organization compelled the minority stake holders to hold their ground and their perseverance and far sight paid off, as the shares in the company are currently trading 33% (Osgood, 2011) above their level when the offer was rejected.

Dragon Oil now is a force to reckon as it pushes the barrier of oil and decides to venture into the lucrative natural gas segment of the power generation market. And there is no indication that Dragon Oil now only wishes to remain ensconced in the Caspian seas but Dr Abdul Jaleel has sights over Afghanistan, Iraq and more profitable venue of Middles East. A company that was barely dwindling by its assets has now become a worthy asset itself.

How did Dragon Oil manage to pull all this off so amazingly well? Is Dr Abdul Jaleel managing everything about the organization from drilling oil to taking care of accounts etc? Dr Abdul Jaleel's proved to be a force which the body of Dragon Oil desperately needed. The body of the organization which comprises of the employees was the muscle that the current CEO oil and

pumped properly along with some smart decisions to take the organization where it is today.

My dissertation delves deep into the question that does organizations require celebrated CEOs who take the reins of affairs in their hands and help the organization meet its goals or is it competent leadership that shares everything with the organization including the perks and goals and lead everyone to meet their goals on organizational and personal level. I am of the latter opinion and firmly believes that changes in the organizational culture is the reason why companies brave the odds and insurmountable impediments of the market and establish their own and distinct identities. Throughout the dissertation, I will try my best to co-relate the webs between the impacts of organizational change in comparison to radical change that Dragon Oil underwent and the will bolster my ideology by providing substantial data such as questioners and surveys. The literature review will be based on the major works on organizational change, culture and management by a number of eminent scholars form the related field. I would use their works to give credibility to the notion about the value of leadership in an organization.

## 2. Literature Review:

The primary objective of this dissertation is to correlate the rise and success of an organization (Dragon Oil in this case) with the change in management and organizational culture. The author has attempted to do this by looking at the relationship between social and psychological constructs of interest in

the mentioned organization which went from restructuring with a special emphasis on change on organizational culture. The cultural change is then investigated, especially as it relates to the attitude and efforts of the CEO, and how and how it differs from the culture that the said organization sported earlier. In the coming segments of this dissertation, management change has been explained and discussed in terms of theory and its relevance to organization change. It has been briefed that organizational change as a whole involves implementation and adoption of change initiatives at the individual and group level. Hence, the organizational change primarily involves group and the individual change processes. The upcoming chapter is drafted to understand the aspects of organizations work environment and how they may help to explain the issue of performance in the organization. The four principal that have been addressed here are; job satisfaction, organizational uncertainty, organizational commitment and change readiness.

## 2. 1 Job Satisfaction:

Job satisfaction helps one understand the behavior, aspiration and potential of employees according to Nystedt et al is the employee's emotional state resulting from perceived work environment (1999, p. 49). Employees who feel that they are not being treated fairly in the workplace or the work designated to them is either below their station or not part of their job often express their discontent to individuals outside the organization directly or indirectly which results in the having a very negative effect of the reputation of the organization. Discontent from the job also increases the possibility

that employees will compensate for his dissatisfaction negatively by adjust the quantity and quality of his or her input (Ichniowski, 1986, p. 80). Walsh & Deery claims that employees who are of the thought that management is not showing support or interest in quality and customer service are shown to be more dissatisfied with their organization (2006, p. 575).

In studies and researches related to management, job satisfaction is considered to be proportional in increase of performance (Worren et al., 1999, p. 279). In fact, the very notion behind human resource management (HRM) is to make sure the satisfaction of the employees and to coax the best output from them by means of satisfying them. However, there are certain aspects of productivity addressed by Klein (1996, p. 33) in where he claims that an increase in productivity can simultaneously decrease job satisfaction which pose a serious question before management. A conundrum to strike balance between the level of employees satisfaction and its impacts on productivity. It should not be forgotten that low levels of job satisfaction affects employee turnover. Depleting job satisfaction coupled with a high turnover has adverse effects on relations with other organizations and customers. Consequently high employee turnover has been correlated to high customer turnover (Heskett et al., 1997).

In the words of Batt (2002, pp. 594–596) the inability to build a stable workforce can deprive an organization of one of its most worthy assets which is accumulated knowledge. Therefore it is of paramount importance for management to look after the employee satisfaction and maintain providing that same level to the whole organization because according to Curry, given

an opportunity to advance within their occupation, employees will be satisfied with their jobs which will subsequently lead to stable work environments (2003, pp. 567–568).

One of the major factors that pose hindrance in the optimum performance of an employee is Job uncertainty. Olson &Tetrick states that an inevitable consequence of change is the replacement of a predictable and certain environment with one that is uncertain and ambiguous (1988, p. 374).

There simply is no doubt about the fact that organizational change and pressures of discontinuity create uncertainty and threats to employees' well being (Terry et al., 2001, pp. 267–270). Usually, the problem associated with implementing the change is viewed purely in terms of the employees resilience in adapting that change. Ultimately, in order to undergo a dramatic change in its structure, the organization first have to deal with the way their employees handle that change since forcing change on the employees has never produced desirable performance. And the most important aspect that an organization has to deal with employees in relation to a change is it alleviates their uncertainty. The simplest definition for uncertainty can be [the] degree of doubt, unpredictability and ambiguity that exists in any situation" (Burnes, 2004, p. 606). In terms of organizational uncertainty, five turbulent levels have been quoted by Ansoff& McDonnell (1990) which make a difference in increasing or decreasing the level of job uncertainty in any organization also known as environmental turbulence and are as follows:

• Predictable: Employees feel comfortable in environments which are not prone to sudden and drastic changes which they find unable to adapt. These working environments follow a routine and are considered stable. Stability is based upon the similarity in past, present and the impending future. • Foreseeable by extrapolation: Despite of the complexity of the work environment, all the solutions and answers should be able to be foreseen and addressed by the managers and the staff as part of their jobs and they get through this by mutual efforts. • Predictable threats and opportunities: This level is where the threats related to the organization clearly manifest before the managers and the staff but despite of the complexity of these impending threats, the managers and the employees know a way around it hence can see an unscathed evasion. • Partially predictable opportunities. This is a rather panic inducing turbulent level as a lot of external factors like the global and socio-political changes makes the situations clouded enough for the staff and the managers that the future and the solutions are only partially visible to them. • Unpredictable surprises. The last level where the organization finds itself paralyzed against the onslaught of threats that are so vivid that there is no way out for them.

According to this model of turbulence, the only way an organization can cope with changes or threats is dependant of the responsiveness and seriousness of its employees.

Uncertainty also arises when new organizational structures are being erected in the organization or updated with a new portfolio. Whenever an organization decides to add a new department, product or responsibility, the

employees are faced with the dilemma of taking charge of new responsibilities and job description and it is this dilemma which produces signs of stress and strains on employees both on functional and psychological levels; a perfect concoction for uncertainty. (Carnall, 2003).

A very important aspect that accompanies a change in the organization is the sense of loss for the employee and plays a very important role in the emotional aspect of the employee's performance and presence at the work place. Once a change of any kind in the organization, may it be a merger or change of management is announced, the employee feels vulnerable due to the limited amount of information given at the time of proclamation of change. The result is the employee is left with nothing but a sense of discontinuity and uncertainty since that's the only possible way for him or her to perceive the impending change. This only promotes the foreboding thought in the employee about what he will lose and not what he will get as the result of change (Buller, 1988, p. 43). That is the reason the management is advised to tackle the matter of having a change in the organization with sensitivity as the subtle effects of the change may have catastrophic impacts on the morale and overall performance of the employees. In order to understand the impacts of the ENOC buying the majority change in the organization, a questioner was prepared and brought before senior most employees of Dragon Oil to understand what they felt that time and how that change was perceived by them. The questionnaire can be seen in section (XYZ)

## 2. 2 Change readiness

Change; whether in an organization or any other level is meant to create ripples in the routine and calmness of life. In case of changes in the organization, the impact of change has many emotional connotations associated with it. Organizational change has proven to make an emotional impact on the social and psychological aspects of an employee. It is also associated with job satisfaction, levels of uncertainty and organizational commitment. Therefore, in order to understand the implications of organizational change, its association with the change in management and its impact on the performance of the organization, the aspect of change readiness should also be examined.

An organizational change is not an overnight event. It deliberately starts at the roots and take its time in being wholly implemented. The slow and steady permeation of the organizational change is of paramount importance as employees in their collective nature form a socially brittle entity that is prone to snap at the onset of sudden pressure in one way or the other. In case of Dragon Oil, the results show that the organizational change settled in steadily which also points out towards the fact that the new management was aware of the slow paced implementation of the organizational change. But slow and steady change takes its time to set in the foundations of the organization because at the onset of the change, barely a few employees are fully aware of the nature of change that is taking place. This initial dubiousness and ambiguity is one of the major hindrances that organizations

in the throes of a change encounter since this stage initiates the resistance from the employees in succumbing to change (Klein, 1996).

To get a better understanding of the change readiness in an organization, Van de Ven and Poole's (1995) four theories of change should be taken into account for the sake of better understanding. Their theory revolves around four key elements related to the change process. Life-cycle, teleology, evolutionary and dialectical aspects are the key theories in their regard related to the change process. Each presents differing conceptual motors driving change. The dialectical theory is perhaps the best describes the norms associated with the change readiness. Based upon the ideologies of Marx and Hegel that all existence is shaped by opposition and conflict with contradiction being the natural state.

As per the dialectal theory, organizations are the primary examples of the opposing internal forces. As per the theory, the conflict lies between thesis and anti-thesis where the management has the power to instigate change (thesis) while the other opposing force is the staff or the employees of the organization which are subject to succumb to change but have the power to resist it (anti-thesis). If change needs to be settled in and as per the wishes of the management, it would be a very wise step to resolve all the conflicts in such a way that the management and the employees get synced in terms of adapting to the new change, aims and directives which the classical personification of dialectical change. This is equivalent for getting the organization ready to brace the impending or already applied changes.

Though measuring or creating something as ambiguous as organizational readiness is still considered as dubious, many scholars have proposed models to gauge an approximate value of measuring the organizational readiness. A model proposed by Armenakis et al. (1993) has been used in the study to understand how organizational readiness can be created and how relevant is it in case of the changes that occurred at Dragon Oil. They emphasize that readiness plays a very critical role in terms of resistance offered by the employees and their adaptive skills related to the impending change. They assert that it is assessment the very much determines the rate of employees readiness at the time of implementing organizational changes.

They strongly put stress on the importance of adapting and implementing the appropriate methodology to understand and capture the upheavals that often come with changes. The whole process relies on qualitative techniques which should be very subtle yet dynamic at the same time to ease of the impact related to the changes. As per these techniques, managers and eminent employees should be taken into confidence and interviewed well to see what they have to think about the news changes and how they react and respond to it. Management should also pay special attention in quelling and rooting out the rumors and their sources which create immense negativity among the employees prior to a proposed change.

These combined factors portray a very clear picture of how management should handle in applying change to the organization and in retrospect; there are elements that corroborate to certain of these theories being implemented on Dragon Oil. Prior to the appointment of Dr. Jaleel, a

considerable unease could be measured or felt in the organization probably because of the fear that the new CEO might be just as remote and isolated as the current one as suggested by the questionnaire which will be presented later on. There is no doubt that the early acts by the CEO were seen with suspicion and apprehension but Dr. Jaleel's open door policy and the overhaul of the organizational culture along with a more employee friendly management lifted these doubts and the results were favorable.

In an attempt to measure change readiness in Dragon Oil at the time of management change and the arrival of the new CEO, a questionnaire was included in the methodology section of the dissertation to corroborate the stated theories.

In order to understand notions related to organizational change and culture, one must first be acquainted with the fact that above mentioned conditions are directly related with organizational performance. Performance in terms of business has numerous views but as a student of Human Resources, I prefer to stick to two scholars whose description of performance is very apt and far from being abstract. Javier (2002) believes that performance is equivalent to the economy, efficiency, and effectiveness of a particular program or a system, also known as Javier's 3Es. However, Daft (2000) is of the opinion that "organizational performance is the organization's ability to attain its goals by utilizing the resources in an efficient and effective manner" (quoted verbatim).

The problem with organizational performance is that the differing concepts causes difference of opinions in executives and leaders. Some leaders adapt the idea of working beyond the limits and capabilities of the employees to extract the performance out of them while some try a rather friendly approach. However, organizational performance without a proper set of definitive goals is of no use and often the easiest approach turns out to be a disastrous one for the executives. Human mind in the absence of a clear directive works randomly and despite of a stern or soft approach towards employees, performance often is never reflected in the company's annual report. A study by Chien (2004) reveals that organizational performance is dependant of these 5 factors:

- (i) Leadership styles and environment,
- (ii) Organizational culture,
- (iii) nature of job and proper division of labor,
- (iv) Set of goals and motives
- (v) Human resource policies.

This study brings us to the key aspect of my dissertation since organizational culture not only does helps boost the organizational performance, but organizational change is also related to this factor of sublime importance (Austin et. Al, 2008).

## 2. 3 Organizational Culture:

So how can organizational culture be defined? Is it a quantifiable element that can be measured and if yes, what should be the highest figure an

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organization has to achieve to meet its set of goals. The best way organizational culture can be explained is that as the term suggest, organizational culture is a factor that is socially constructed. The concept of social construction of organization culture is of immense importance for the leaders and provides them with challenges as well as opportunities. A leader has the opportunity to turn the culture of the organization around by striking the right cord. At the same time, the leader is posed with two challenges: firstly, no change can come if leader does not initiate a conversation with his subordinates while the other and more perplexing challenge is gauging the right tone to hit in order to bring about the desired change in the organization because if the leader is unable to strike the right note, the culture organization adapts in its wake can cause more damages than do any good.

Therefore, the author strives to find a connection between organization's culture, its invariable relation with leadership and how this combination drives the organization towards success by keeping the example of Dragon Oil in the foreground.

Dragon Oil has been through the same journey. Its meteoric rise was not an overnight achievement but a combined effort by the organization driven by an able leader. Then how come it took so long for Dragon Oil to get to the path which it's currently following? The main body of the case study answer this question by relating the circumstance postulated by Stewart (2010) who believes that norms that governs an organization are almost invisible, but if

an organization wishes to improve performance and profitability, norms are one of the first places to look.

As the later study would suggest, before the appointment of Dr. Jalil in 2008 the company had performed with mediocre success and there had been no enthusiasm from the team behind the company what so ever due to the CEO's fleeting nature. What Dar. Jalil fixed in Dragon Oil was the spirit, a culture among the employees that was based on self assessment and empowerment rather than fear and pressure to get the best out their performances. The study also takes into account Langley, et al.'s The improvement guide: A practical approach to enhancing organizational performance (2009). The study by the esteemed authors serves as a relatable template to understand the kind of model followed by the Dragon Oil for the sake of improvement and getting better. The model proposed in the book is based on the following principles:

- \* What are we trying to accomplish?
- \* How will we know that a change is an improvement?
- \* What changes can we make that will result in improvement?

The model is meant to be extremely bendable and can be used circumstances to sake of improvement and growth. One of the distinctive reasons for including the book is the comparative study between the notions of change and improvement and will be briefed in the later study.

## 2. 4 Leadership and performance:

Atchinson, et al's.(2001) work is also given very much importance in trying to discern the relationship between leadership and corporate culture.

Leading transformational change: The physician-executive Partnership is astounding piece of research by very eminent scholars and explores the reasons for change and improvement in a very scientific way. This book helps in understanding the ways physicians and executives can collaborate to improve human performance. The authors assert that building mutual trust and respect is essential for any organization to succeed. Further, the book provides a unique model for managing change that very much corroborates the success story of Dragon Oil and will be discussed in detail later. The model has salient features like: \* Leadership is the driving force behind corporate culture; \* In the presence of a strong corporate culture, personal investment can create a team spirit; \* And as the sense of team develops further; managing change will lead to great interpersonal and professional qualities.

Dragon Oil's rise is clearly attributed to the change in leadership and the development of a strong corporate culture, a thing that has been testified by its very own employees and assessed via a questionnaire and interviews whose results and interpretation based on those results will be included in the study later on.

## 2. 5 Organizational culture and performance:

Despite of the fact that the above mentioned authors have tried really hard to relate performance with leadership, the majority of the literature

regarding it only provides anecdotal evidences rather than concrete outcomes. However, organizational culture is by far one of the most researched subjects among the students of management and organizational studies, probably because of the sheer number of perspectives available related to this field. Regardless of a number of theories and definitions some of which had been mentioned earlier, there are certain aspects related to organizational culture which gives this subject so much prominence. One of those reasons for the importance of the subject is the theory that certain organizational cultures lead to superior organizational financial performance which Scholz believe that comes into play by the generation of competitive advantage in the organizational culture is that widely shared and strongly held values enable management to predict employee reactions to certain strategic options thereby minimizing the scope for undesired consequences (1993).

Reed and DeFillippi (1990) present the theory that sustainable competitive advantage emerges from the creation of organizational competencies which are both superior and unique to execute by competitors therefore giving the organization a distinct and more competent feel. All three of the above mentioned scholars put the advantages of developing an organizational culture very aptly their theories relate very well with the development of the organizational culture at Dragon Oil. What is gathered from the theories related to the organization culture that it should be distinct and difficult to be

imitated yet has the potency to empower the organization to adapt changes for good.

There has been enough data written in the correlation between organizational culture and performance that one can safely suggested based on the literature provided by the above mentioned scholars that there is credibility the claim that performance and changes occur based on the organizational culture. The radical change in Dragon Oil is also due to these distinct connections where leadership invokes a culture which in returns empower the employees to outdo themselves thus giving first class performance based which is largely based on self basement.

By linking the above mentioned values and theories, a conclusion can easily be drawn with the case of Dragon Oil in sight that the role organizational culture empowered by proper leadership can play in the change. Further study will also included works referred by Bass, Barney, Brown, etc to cement the theories presented in the context of the case.

## 3. Dragon Oil: A brief background

Dragon Oil has been around the oil producing block for a while but had been nothing more than a tiny blip on the radar compared to the giants who had monopolized the oil producing market. The company came into lime light in 2000 when it was awarded a 25-year Production Sharing Agreement to explore and develop oil and gas at the offshore Cheleken Contract area in the eastern section of the Caspian Sea, offshore Turkmenistan. Being registered in Ireland, Dragon Oil is headquartered in Dubai; UAE has

primarily been drilling in the designated area only. 51% of the company's shares have been purchased by Emirates National Oil Company (ENOC) and until 2008, both company shared a mutual CEO. The company has shown some tremendous growth since the change in management in 2008 as a before 2008 Dragon Oil had the average of 25, 000 or less bopd which swelled to as much as an average of 70, 000 bopd by the end of 2011. Company also showed significant changes in its revenues and net worth. Also, the number of its employees increased from a measly 700 to almost the double around 1300 as of 2012.

The meteoric rise of the Dragon oilclearly hints that company was already on the way of making profit but the progress was slow till 2008. It can be clearly seen that the steady figures changes between the years of 2008 and 2011 with the later being on vertical rise. During this time, Dragon Oil has not chosen to drill in any other region and has only expanded its operations in the leased area indicating that better performance can produce better results from with the same place. The sheer development on both management and production fronts hints to a more able and clairvoyant leadership. Ever since Dr. AbsulJaleelKhalifa took over the reins from Mr. Hussain M Sultan who also happened to have a managing portfolio in ENOC at the time of serving he his tenure as a CEO at Dragon Oil.

Dragon Oil is now among one of those smart companies that instead of spending a fortune in importing experts and outsourced labor is using around 90% of the staff locally at its drilling site which not only is extremely economical for a company of its size but also happens to put the company in

the good books of the inhabitants of the region unlike the competitors Shell and BP who are viewed as vandalizing tyrants in regions where they operate. Dragon Oil has a lot of ground to cover before achieving the status like its competitive titans, but the statistics show the company under the new management is on the right track to achieve that status and can very well do that. 2011 has been particularly good for the company as it managed to earn \$1151 million in revenues, a 67 percent increase over 2010. With such amazing figures, the share prices have also soared and the company have the honored of being in the premium listing of London Stock Exchange (Dragon Oil, 2012)

# 3. 1 Management Conundrum:

Perhaps the most important part of an organization or its management is its CEO who serves as the brains of the organization. However, when a brain has two bodies to look after, things do not go very well. This is the case with Dragon Oil till Dr. Jaleel took over. It has been noted by eminent scholars like Zajac and Westphal, 1996; Finkelstein and Boyd, 1998; Sanders, 2001etc that the characteristics of chief executive officers (CEOs) alone influence what happens to organizations.

At the time of acquiring the majority shares of Dragon Oil. ENOC decided to bestow its current CEO with the honors of looking after the other company just as well. Mr. Hussain M. Sultan had a prestigious yet extremely busy career handling the affairs of ENOC which as compared to Dragon Oil and far more venues to look after. Mr. Hussain Sultan after taking the mantle of CEO

at Dragon Oil tried his level best to strike balance between managing both organizations the actual growth usually tipped in the favor of thriving ENOC whilst Dragon Oil inched unsteadily towards an uncertain future. As the attached questioner later in the study will reveal, a significant percentage of the employees at Dragon Oil claimed that they barely saw the CEO in the headquarters while the remaining claimed that he visited the headquarters 2 days a week. Finkelstein (1992) believes that there are a few factors in which the organization's source of power resides:

- \* Structural power (distribution of the formal positions in the organization) \*
  Ownership power
- \* Expert power and
- \* Prestige power

In the case of Dragon Oil, a lot of structural power and ownership power was waning. Employees claimed of an unprofessional organizational culture, limited appraisals, less accountability and the lack of interest from those at the helm. These factors culminated into a lack luster corporate environment where everyone just came to do their jobs. Despite of Mr. Hussain's brilliance and his considerable experience in the field of oil market, Dragon Oil's progress remained stagnant which raised a sound of alarm in the board of directors. The uneven pace of the company clearly indicated that the fault lied within the organization rather than the oil field and a major revamping of the organization was needed. And the only way the organization could head in the vertical direction was through transformational leadership.

Bass (1985) proposed that there are three factors that highlight the aspects of transformational leadership: charisma/inspiration, intellectual stimulation, and individualized consideration. Despite of his earnest efforts; Mr. Hussain was unable to invoke such a culture in the Dragon Oil and the occasion called for a change of management. Dr. Jaleel took reins of the organization at the time of its dwindling performance and at a point when ENOC proposed to buy the remaining shares of the organization which the prudent management refused. The resilience paid off and the newly structured organization started hitting the marks which it never thought it could.

# 3. 2 Shift in the management

How does a proper organizational culture prevails? Kotter and Hesket (1992) believes that being stuck in crises and in the wake of a CEO turnover combined with a lack of perpetuating mechanism can either destroy an organization's culture or make it considerably weak. But cultures are meant to get extremely strong where there are common values, behavior pattern and practices and the tight interconnectivity of the levels of culture. They further assert that strong and continuous leadership, stability of the group members, geographical concentration, small group size and success contributes to the growth and development of a strong organizational culture. Under these assumptions. Dr. Jaleel after taking the mantle of leadership it appears followed the similar pattern to reconsolidate the organization and promote a culture where every member of the organization could best his or herself.

One of the smartest moves made by Dr. Jaleel was to adapt an open door policy where any member of the organization could go to the CEO with his or her issue. Dr. Jaleel brought the C EO back from the lofts of narcissism to a more approachable level thus creating examples for his subordinates. In a strong corporate culture, almost all managers share a set or relatively consistent values and methods of doing business and new employees tend to adopt these values very quickly. In this kind of organizational culture, a new executive is just likely to be corrected by his subordinates or by his bosses if he violates one of the norms of the organization (Kotter and Hesket, 1992, pp. 15). That was what Dr. Jaleel promoted in the organization and the results were astounding. In the previous days where the employees were only coming to the office to get the job done now had something to look forward too.

Moreover, an Employee Satisfaction Survey was being conducted in the organization to gauge the level of comfort of the employees. Job satisfaction was referred to employee's self-recognition (Mowday, Steers, & Porter, 1979) hence it was a revolutionary step that bridged the gap between the leader and the organization. Not only it bridged the gap, it motivated the employees to perform at their optimum level. Moreover, the management also made a very prudent step by designating job in house rather than outsourcing them and spending exorbitant amounts. Even at the drilling sites, 90% of the work forces recruited were the local inhabitants of the region which not only created a lot of job opportunities in the area but also projected Dragon Oil in a very positive manner. Also the move created a very

strong culture of mutual understanding as the number of employees in the drilling site belonged to the same region thus creating harmony and improved correspondence which is one of the key factors in the getting the organizational culture done.

To be prepared to meet the goals ahead, managers were allotted targets and those targets were sub allotted to the rest of the staff. This smart division of objectives proved successful as it gave the organization more focus and a direction to move ahead rather than just getting along with their daily job routine. Employees were rewarded based on their performance and non-financial rewards were also introduced to pique the enthusiasm of the organization.

# 3. 3 Rise to Glory

Transformational leaders have the ability to motivate their followers and lead them to achieve results that are totally based on performance. Deluga [] Souza (1991) found that performance, job satisfaction and transformational leadership are correlated. Transformational leaders are supposed to pay attention to their followers along with encouraging a culture that is based on mutual respect. If the statement by Deluga& Souza is taken into account, with these conditions, organization satisfaction will irrevocably increase which in return will enhance the performance.

With these conditions, Dragon Oil unfurled itself to rise up. The company had a relatively tumultuous year following the departure of Mr. Hussain but the transitional period of 2009 proved worthy because during this time, the

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reorganization of the company took place. As of now, Dragon Oil is en route to monetize its more than three trillion stocks of standard cubic feet of gas reserves and has been spending as much as \$170 million pipeline from the offshore field to the main processing facility onshore as well as eying regions like Middle East, North Africa and Caspian Sea to extend its operations (Pipeline Magazine, 2010). This is sheer growth in comparison to the pace with which Dragon Oil had been moving before the change of the management.

The progress on the drilling operations is a whole different success story.

"In the past we used to drill eight, then ten, then eleven wells per year. In the future we will be drilling 15 or more wells on an annual basis. And we hope that with additional rig fleet, we can go up to 20 wells in the near future," Al Khalifa says. (Arabian Oil and Gas, 2011)

The growth and improvement could also be seen from the fact that the company's capital expenditure got raised from \$300-\$400 Million to around \$600 million per year. To add to that, Dragon Oil more than doubled its barrel oil per day average from a measly 25000 to a hefty and respectable 70000. As the number of employees swell from 700 to around 1300, the management is making sure that multiple ethnicities are properly adjusted in the organization for the sake of optimum performance. Dr Jaleel himself proudly declare that they have more than 20 nationalities in the company (Arabian Business, 2011) and judging from his enthusiasm, it can clearly be

seen that the management is doing a wonderful job at accommodating all the nationalities in a singular and productive organizational culture.

Huang and Chi (2004) concluded that job satisfaction can make employees work hard and increase operational performance of the organization. Under this statement, it is very much evident that the new management at Dragon Oil is promoting an organizational culture which is based on self assessment, dedication, transparency and motivation by means of job satisfaction. It hardly comes as a surprise that the organization is moving up the food chain by leaps and bounds and all of this can be attributed to the smart leadership that the organization now has in the form of Dr. Abdul Jaleel.

## 4. Methodology

# 4. 1. Triangulating the factors:

The introduction of the dissertation clearly proposed the idea of understanding the relation between performance and change in organizational culture and the objective was to prove that aforementioned idea is valid in the light of the Dragon Oil as a case study. The following chapter outlines and explains in detail the methodology used to support the claim. Due to the nature of the subject, the methodology used in the dissertation is not the traditionally mathematical and pin point approach to diagram the objective in figures and derive a conclusive answer. Instead, the methodology implied here is based on fact finding by means of researching and fact collecting the supporting theories and answers from the literature and employees of Dragon Oil.

Having quantitative and qualitative research in a dissertation is rather difficult but is of utmost importance as it cements whatever findings have been made by the researcher. When researching something related to social sciences; it's best to use multiple approaches towards the research methodology to validate the findings. Since multiple approaches are made to validate a claim in social sciences with sometimes inconclusive tests and methods, terminology often is a jarring issue that most of the students of the socials sciences have to face as compared to those studying applied sciences. When faced with such situations, the particular approaches used to validate a claim are being referred as triangulation because they have too many meanings and conclusions to be simply put forth as a conclusive term or result when it comes to social sciences (Tashakkori&Teddlie, 2003, p. 14).

Triangulation however has been a tool of choice for a number of modern day researchers as it combines two or more approaches in terms of research subject to analyze it in multiple dimensions and come as close as possible to a single and unchallenged conclusion. One of the best available definitions for triangulation is "the use of two or more different measures of the same variable [and as such] can strengthen measurement considerably" (Brewer & Hunter, 1989, p. 17). Results that are similar in nature but achieved by using multiple methodologies provide more credibility to research and is in a manner of speaking a very scientific representation of the findings of a subject related to social sciences. However, when results using multiple methodologies project entirely or significantly distinct stories, it should be understood that the methodology chosen was flawed and the results were

erroneous hence could not be relied upon. Although qualitative methods give very rich change-specific information quantitative methods are an appropriate addition, offering unique advantages for researchers in certain settings (Holt et al., 2007, p. 233).

The case chosen for this dissertation specifically calls for using more than one methods of asserting the objective of the study by analyzing the subject in as many angles as possible. In order to get as many subject for research as possible, the author had to rely on the method of Availability sampling. However, since the subject belonged to the same workplace, i. e. are the employee of Dragon Oil, there was a risk of measurement error. Another great risk of getting error in the measurement is the fact that subjects often have the tendency to answer questions in a socially attractive and desirable ways which most of the time deviates them from bringing out the truth (Hadaway et. al., 1993, p. 750). Similarly, the employees of the Dragon Oil were at the risk of answering the questions in a favorable way towards the management and that could simply cloud the fact. The qualitative part of the essay could also pose some serious threat to the results of the research as the managers that were interviewed could project every fact about the organization in a favorable and whitewashed way. For that reason, the author had to rely on interviews by the managers and the questionnaires filled by the employees to avoid any discrepancy in the data and used results from both findings for comparison.

# 4. 2. Survey sample

When it comes to generalizeability in quantitative form of research, everything depends on the quality of the sample taken for observation. Here, the author addresses the issues pertaining to the samples that were taken for the sake of research by keeping the objective of the dissertation in sight. For the sake of quantitative research, the employees of Dragon Oil were given only the questionnaire to fill out pertaining to the dissertation. The author had to consult the HR department of Dragon Oil exclusively to assist in getting the questionnaire distributed the number of employees and since it was not possible for the HR to get the questionnaire distributed among 600 (Darien please fill the appropriate figure here) employee of the company, the questionnaire was distributed among a group of selected staff comprised of 50 (Darien please choose the number of employees) employees on distinctive position throughout the organization.

The study utilizes just one primary sampling unit. The number of sampling elements in the primary sampling unit represents s portion of the active and available employees within the organization. Instead of taking into account the entire work force present at the Dragon Oil headquarters, only the selected employees are taken into account as the resenting workforce of the company. Since the employees are chosen from all the available departments functioning at Dragon Oil's head quarters in Dubai, they represent the majority of the employees from their respective departments. The sample components are described in the diagram as follows:

## 5. 3. Response rate

Due to the relatively large size of the organization, systematic sampling was

used as a tool to gather the sampling elements since the response rate is specific to the type of sampling used. No screening method was applied to rule out an unsuitable choice for a sample because of the fact that all the samples that provided data for the study belonged to the same organization and work group thus eliminating the chance of an incongruent and out of the scenario sample

Since just one sampling unit is involved in the study, the respondents or population selected from a number active departments in the organization tend to represent different stratums which will be beneficial in providing relatively efficient statistical results. However, when taken together they make up the population under investigation for being members of an organization that experienced an organizational culture uplift and change of management. Since the approximate work force at Dragon Oil's Dubai HQ is 500 (need correction) and 50 (pick a number) respondents were required, every 10th employee from the multiple departments of the organization based on his activity level was handpicked by the assistance of the HR. The response rate was \_\_\_\_\_\_ (choose if you wish the response rate to be high, low or average)

## 5. 4. A note on non-response

There are two primary factors that change the outcome of the response rate and become the key players in the participant's non responsiveness. The first being the actual response rate which tells the readiness of the sample to participate in the study and the other being size of the sample unwilling to or unable to respond. Despite of the fact that not standard rate for a usable

response rate for a study has been officially established, Fowler (2002, p. 42) asserts that the minimum amount of response rate for any study to have useable data should be somewhere around 75%. The non-responsiveness of the sample elements poses some serious threat to a social science based research because of the fact that this may be the only credible source of data that could be used to back a claim and the non responsiveness of the sample elements simply makes the chances of providing credibility to a claim slimmer.

Schutt believes that non-respondents are likely to be systematically different from those that do take the time to participate in surveys and help a social scientist meet his or her goals (2006, p. 141). It has also been proven that subjects tend to take part in surveys which they find interesting and answerable. Some of the subjects are known to provide enough credible data to a survey which they find themselves interesting. This automatically presents one of the reasons that cause the non responsiveness of the subjects. It is usually advisable to provide the characteristics of those subjects at the time of sampling who might not be interested in taking part in the survey or find it unappealing. However, since the current study revolves around the a topic which every subject has experienced him or herself one way or the other while working at Dragon Oil, it will be unnecessary to provide the characteristics of such sample elements who may not be of any use to the study.

#### 5. 5. Interviewees

The method of purposive sampling was used to in order while sampling the

respondents for interviews. Since purposive sampling calls for the use of predefined groups for data collection, the author initially wanted to interview subjects on management posts. Interviews were conducted with 3 (choose your number) managers who help considerable positions at the Dragon Oil and were familiar with the company's organizational structure and its managements history. The reason to include managers in the study by interviewing them was to get a precise idea about the employees handled the organizational change and how it affected them.

Their remarks were very useful in establishing the goals of the dissertation as they provided first hand information about the changes that occurred at the organization and what sorts of impacts did it had on the company's performance as well as the employees. Since purposive sampling requires the data from a predefined group, the opinion of the managers was way more worthy as compared to the questionnaires used in the systemic sampling because they are more in detail and also provide more information. A very vivid difference of opinion was registered between those of the employees and from the management which was interpreted in the findings.

## 5. 6. Procedure

Once the project was green lit by the University in October 2012; the author set out to gather the necessary data which was required for process of sampling and collection facts. The Human Resource department was very helpful in granting the permission for sampling and even assisted in providing the necessary data used to sample respondents. However, the special favor was given at the promise of not letting some of the personnel

related information of the survey public. Since the author conducted most of the research about the organization because of the being acquainted with the personnel at Dragon Oil, no specific government related permits or legal documentation was needed. The CEO Dr. Jaleel was gracious enough to give his blessings to the author about the compilation of the research and promised to provide any assistance from his personal side if needed (please consider this line. If you wish to include it, that would be great but that is solely at your own choice). After the arduous task of sampling the subjects, the author was introduced to the subject elements who she was unacquainted with.

For the sake of satisfying the management and administration, the staff was informed about the coming survey through the organization's mailing list. The letter addressed the topic of the research and the contribution of the selected candidates in providing the useful data. It was a very prudent move that gave the whole procedure a very professional look and created a sense of trust and worthiness among the staff. The tone of the letter was carefully chosen to instigate interest and enthusiasm from the staff about the upcoming research to make sure their whole hearted participation in the study which consequently would increase the response rate. The employees of the Dragon Oil were also requested not to present themselves for the sake of research in advance to decline rejection and make sure that the chosen candidates would be caught off guard thus will provide spontaneous information. The letter was rather implicit in nature and did not provide any detail related to the research and only asked for the cooperation of the staff.

Since the objective of the study is to relate organizational culture,
performance and change of management, the details were deliberately
redacted to avoid any biased views or responses from the chosen subjects.

## 5. 7. Self report measures

Research aspects of the organization related to job satisfaction, organizational commitment etc as mentioned earlier in the research are unquantifiable elements hence cannot be observed directly. In order to get a measure of these elements, empirical methods such as questionnaires where used to make them a part of the hypothesis. Field & Hole strongly emphasize that when using self-report measures the question related to the validity of instruments used for the research are paramount importance (2003, pp. 44–46).

Operationalizing the concepts used in the study brought forth two major concerns. First and foremost, variables had to be reduced from the data to avoid any conflicting or incongruent results thus; validity of the research instruments in the light of factor analysis had to be made. Last was the practicality of the research tools used to provide credibility to the research by erasing as much variables from the theory as possible and provide a streamlined approach to understand the how organizational performance makes an impact on the performance in conjunction with a change of management.

The articles in the questionnaire and the interviews were carefully chosen to avoid any digression from the main topic and to right on to the point. No

items were chosen that obviously are similar to other items covering the construct. All the questions where closed statements and made in accordance with the Likert Scale. The Likert scale made it easy for the respondents to understand the nature of the question and answer it straight to the point without missing anything. Since Likert scale is easy to comprehend and gives the respondent a full picture of his potential response, the statements were kept as brief and vivid as possible. The minimum words for the question statements made it easy to be interpreted into calculable data. The statements were deliberately toned in alternates of negative and positive so as to avoid getting the respondent any biased idea (Fowler, 2002, pp. 93–95).

## 5. 8. Measures of semi structured interviews

The interviews were conducted for the sole purpose of understanding how the key positioned managers at the organization perceived the change of management at Dragon Oil and its impacts on performance of the organization. These interviews helped a great deal in bringing out the changes that the organization had to through to reach its current position and how the leadership transformed Dragon Oil into a roaring dragon. The chosen managers were requested to shed some light on the background of the management change at Dragon Oil and how was the organization functioning before that. Their interviews drew a very rich picture of Dragon Oil before the management change and the state of the employees in an environment that lacked an active organizational culture. The interviews were conducted in the style of exploratory research method where, the idea

is to find out how find out how people react to a setting under question, how do they define their actions and sound their concerns.

The qualitative measures were used under the exploratory approach to get as much valid details of the managers with the change of management at Dragon Oil in the back drop. Semi structured interviews helped a great deal into bringing out a very vivid and rich world of the post and pre management change Dragon Oil. These interviews have always been beneficial in context of social science based research because of the flexibility and their ability to project a more vivid picture (Smith et al., 1995). The data received from the information was translated using the methodology proposed by Kvale (1996, pp. 201-204). The interviews were then deeply studied to bring out the context related results and avoid any in congruency. The interviewees gave their consent for conducting the interviews only under one condition that these interviews were only to be used for academic purposes and could not be published anywhere.

## 5. Findings:

Two types of primary data were used in this study. Semi structured interviews taken from managers at Dragon Oil and the questionnaire distributed among the carefully sampled staff of Dragon Oil. The questionnaire was aimed at getting as much raw data as possible related to the topic of the dissertation which could then be interpreted using the authors choice of tools. The interviews on the other hand provided more of descriptive data from the managers interviewed at Dragon Oil and then were

searched for contextual data that could support the author's hypothesis about finding a relation between change in management and its effect on organizational culture. The interviews unlike the straight forward questionnaire were meant to address a number of situations. First off, they were meant to provide brief background of the organization through the eyes of the managers and how they saw the organizational culture change at Dragon Oil before their very owns eyes under the new management and its impacts. The consent of the managers was taken before conducting the interviews and no information taken from the interviews was disclosed to any other source but the academic faculty examining the said dissertation. Data acquired from the questionnaires survey was analyzed by (factor in your methodology).

# 6. 1. Survey Questions:

Responses As per Likert Scale:

- 1. Strongly disagree
- 2. Disagree
- 3. Neither agree nor disagree
- 4. Agree
- 5. Strongly agree
- 6. 2. Questionnaire related to current management:
- 1. Are you happy with your Job?
- 2. Do you feel secure in your working environment?

- 3. Do you think that current management is benevolent for the organization?
- 4. Do you think that your performance decides where you end up in the organization? 5. Do you agree that the current leadership has a role to play in your working environment?
- 6. 3. Questionnaire related to previous management:
- 1. Were you happy with your job before 2008?
- 2. Did the organizational environment before 2008 made you feel safe about your job? 3. Did you believe that the previous management was taking the organization in the right direction? 4. Do you believe that giving the organization your full dedication previously could have led you to a higher and more prosperous position? 5. Was the leadership a reason for the previous cultural state of the organization?

## 6. 4. Interviews:

Beside the data gathered from the questionnaires, as many as 5 managers holding significant positions with Dragon Oil were conducted. The participants of the interviews were asked questions in context of the topic of the dissertation in a self-report survey which covered all the major aspects of the hypothesis posed by the author of the dissertation. The interviewees were not made aware of the hypothesis of the dissertation and were only told that the purpose of the interview was to enrich the academic experience of the students who are trying to understand the organizational culture and management. This ruse was deliberate created so that biased opinions from the managers could not be received. All five managers interviewed

presented a very detailed yet diverse picture of Dragon Oil and how the change of management resulted in creating an effective organizational culture. Despite of having diverse opinion