

Abu Dhabi national oil company management essay



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Abu Dhabi National Oil Company is the biggest company in the country that is working in energy related sector. It is owned by state. It was formed in 1973 and it is responsible for supplying oil domestically as well as on international front. It is an integrated company that focuses a great deal on energy and oil. State has relied deeply on his company for proper utilization of the country's main resources. (ADNOC, 2012) ADNOC group manufactures and transport includes wide range of petrochemicals and other products. These companies have broad operations and perform key tasks such as exploration and production of oil. Their activities are based on oil refining and gas processing. ADNOC group provides support services to market their valued products. (ADNOC, 2012) The primary objective of ADNOC is to find, extract and subsequently market the products on national and international level. Major companies of the world have joined hands with ADNOC and have entered into a \$50 million contract with the company. The efforts of organizations are concentrated on exploring and rigging of undiscovered areas to enhance their businesses. The major aim and responsibility is to develop long term and sustainable energy growth in the country. The government clearly understands the importance of oil and is highly investing on this sector for constant improvement.

UAE has opened opportunity for one third of the top twenty oil and gas industries in the region. (Canty, 2011) The Shah Sour gas project which will be completed by 2014 will prove highly significant. With increase in passage of time, UAE undoubtedly will emerge as a big power in international market. ADNOC has significantly progressed over the past years and several new companies have been formed as a part of expansion of the industries.

ADNOC is the world's largest company as far as oil reserves is concerned. It has two oil refineries and several subsidiary companies which are operating upstream as well as downstream (ADNOC, 2012).

Abu Dhabi national company is raising the bar by producing 2.7 million barrels of per day. The group consists of several networks of companies. Abu Dhabi Company for onshore operations (ADCO) is increasing its level in exploration, production, development and transport from onshore fields. Abu Dhabi marine operating company (APMA-OPCO) plays a major role in exploration, extraction and export from offshore fields. Zakhum development company (ZADCO) has been operating in upper Zakum, Umm ul Dalkah and Satah offshore fields. The production and development of liquefied petroleum products has constantly increased as Abu Dhabi gas industry Limited (GASCO) has been founded to address the requirements (GASCO, 2012). Abu Dhabi refining company (TAKREER) plays an important part in refining of crude petrol, production of sulphur and transportation of and gas products (TAKREER, 2012). There are several other important companies which are operational for exploration and production of services. Abu Dhabi national tanker company (ADNATCO) and national gas shipping company (NGSCO) is responsible for transportation for petrochemical products domestically and internationally. It is an extremely important group and is the backbone of oil economy in the country. The group has been able to expand on a larger scale as several other companies are also founded. Significant achievements have been made in exploration of oil and gas simply due to extra ordinary policies of the organization.

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There three major products of Adnoc are diesel, gas oil and petrol and several other products that are to be specifically used in automobiles and several locomotives. These are extremely important products whose demand is persistently increasing with the passage of time. With increase in industrialization as well as improvement in the sector of automobile industry

greater emphasis is laid on increasing the supply of ADNOC products to bridge the gap between the demand and supply. However, due to the economic stable environment and the resource fullness of UAE in the field of oil, the prices of these commodities have generally been very stable over the number of years.

The organization prefers to closely monitor the prices of its components in order to ensure that the maximum people utilize their products. The opportunity of robust development in the field of industrial development as well as in the field of automobile revolution has been optimally utilized by the organization in order to secure maximum benefits.

However, the administration keeps a deep check on the international oil economy and plans its pricing strategies in order to avoid any kind of imbalance the economy. The prices of oil and related compounds are dictating the socio-political scenario in the present world, therefore it is considered to be of utmost importance.

Interview

Mr. Muhammad S. Al Qubaisi

The interview was conducted with the manager of human resource department, Mr. Muhammad S. Al Qubaisi. The aim of the interview was to analyze the management of human resources and understand the policies of ADNOC group in light of modern trends and requirements. (ADNOC, 2012)

The interview was done to have knowledge of training and development required to improve skills in the workers. The duration of interview was of one hour.

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Arafat Al Yafei

Mr. Arafat Al Yafei is serving as a development manager in ADNOC. He is offering several responsibilities that are generally aimed at improvement of society by controlling contents of carbon dioxide and nitrogen. Mr. Arafat has been an instrumental and highly efficient personality in ADNOC. He is also the chairman of the society of Petroleum engineers and he has extreme expertise over collection, transfer and exchange of information. He has been providing incredible services in enhancing the technical and professional competence of the users.

Training

Q) What are the types of training – internal, external or both? Give details.

Mr. S. Al Qubaisi) ADNOC has been actively pursuing several training and development activities over the years for the purpose of inculcating new thoughts and ideas in the minds of the people. Highly world class and sophisticated courses are taught to the workers. They are given an opportunity to broaden their knowledge by sending them abroad as well as training them in the local centers. State of the art technology is used in the incorporation of several development programs to prepare the workers according to modern trends. There have been several initiatives such as competence assurance management system. It is a system based on several courses and programs which is aimed at raising the quality of skills present in the workers. It is aimed at maximizing the performance level of workforce so that they could contribute in an effective manner to the oil economy of the country. The focus of this program is primarily on the newly hired

workers so that organization does not face any kind of deficiency in the performance standards. ADNOC scholarship programs are an incentive to discover and polish the raw talent in order to polish it for future aims and objectives. Human resource management of our company has also started Glenelg school of Abu Dhabi which provides excellent education. ADNOC technical institute has proven to be of extreme importance. It is a vocational training institute which develops key potential in young people. Over the years, it has managed to train innumerable people. Job instructional training is also provided by the company to the trainees to maximize their interest and raise their scope in the field of energy sector. Petroleum institute has been developed with the collaboration of Japan Oil Company, Shell and Total. It has provided tremendous opportunities to several people in terms of education in the field of energy sector. It is one of the leading educational and research center initiated with the help of several global partners. The focus has also been to promote nationals in the work force because it is the supreme belief of the organization that nationals must be given a chance to contribute in the uplift of the country.

Q) How does the organization decide what type of training should be given?

Mr. S. Al Qubaisi) the growth and expansion of the industry are necessary factors that determine and govern the training and developmental activities. The organization needs the succession planning the most when it is undergoing several problems. These include results of retention risk analysis which exhibits the date of departure of the people. It is required the most to fill the gap in event of death of employers, the resignation of employers so

that there is no gap left. The perceived time to fill a suitable post, therefore organization must have a proactive approach to deal with it earlier. It is also required the most when managers claim that they need a person to be promoted in the organization. It can also prove helpful in cases when the workers claim that promotion decisions are being biased.

Q) Who receives training? Managerial or non-managerial?

Mr. S. Al Qubaisi) the organization is deeply committed to constant improvement and enhancement of its activities related to the growth, development and the expansion of industry. It feels strongly committed with the vision of emirati government to enhance the process of Emiratization. Solely, due to this factor training is given to all the people involving managerial and non-managerial staff along with the young emirati students in order to develop their interest in the field of oil and gas.

Q) How does the organization decide which employees will attend?

Mr. S. Al Qubaisi) The human resource management deals with the all kind of training and development programs within the organization. Succession planning is considered to be of paramount importance. Company is actively engaged in the investment for skill and development programs of employees. The organization is extremely committed in development of proactive and skilled workforce which can rise up to expectations and meet the challenges according to the diverse demands of the global requirements. Several initiatives have been taken over the years. Competence assurance management system is the major activity aimed at encouragement and

preparation of staff to get them ready for the emerging global needs and requirements.

Q) Does the employee have a choice in the type of training he/she receives? If yes, how do they request the training?

Mr. S. Al Qubaisi) The training and developmental programs are considered to be extremely compulsory for the organization. The management believes that the room of improvement exists in every department and at any point of time. These activities are necessary and all the individuals are deemed to learn new methodologies related to skill enhancement of individuals. However, there request to not attend the training is accepted on serious medical or personal grounds.

Q) Who gives the training? Internal or external people?

Mr. S. Al Qubaisi) The organization has ensured that it involves the best and most talented people to train and develop the staff. The staff from Japan and Germany along with several other multinational companies is constantly engaged in training of the youth in various vocational and training institutes. The training and development programs at ADNOC are aimed at developing an extra ordinary capacity in the workers to rise beyond the new challenges. Human resource management keeps several factors in consideration while designing, conducting and evaluation of training programs. The major factor is implementation of succession planning through these trainings which can lead to expansion of ADNOC beyond horizon.

Q) Where does it take place? On-the job, classroom, or externally etc.?

Mr. S. Al Qubaisi) the training and development programs are launched in class rooms in the form of several vocational and training institutes. Young nationals are offered various programs during their educational life that could prepare them in an active and extremely efficient manner for the contributing to the oil economy of the country. There are routine external programs as well aimed at proper training and nourishment of individuals.

Q) How often does training take place in the organization, on average?

Mr. S. Al Qubaisi) The vocational and training institutes of ADNOC offer educational programs aimed at creation of big pool of talented individuals occur throughout the year, whereas the in-house training and development programs are initiated on regular basis, normally routine and scheduled on monthly basis.

Q) What is the effectiveness of the training (How do they measure if performance has increased after training)?

A) The key criteria of effective training is analyzing of company's goals and then setting a benchmark, a desired level to be reached. The periodic evaluation of the trainees, in terms of application of transferred knowledge in the job plays an extremely significant part in highlighting the criteria for effective training. With constant evaluation and regular training of an individual. Organization can ensure that its goals are fulfilled. The accountability at every part is extremely vital in the organization to ensure that the merit prevails completely. Utmost requirement.

Q) What are the Issues/problems experienced by the organization with the present system.

Mr. S. Al Qubaisi) The organization is facing serious challenges and risks in the monitoring and planning of training and development programs. Since, the government has imposed serious instructions on inducting Emirati nationals in the workforce. The Emirati's are extremely less talented than the expatriates, therefore fulfilling their training needs and requirements require greater degree of efficient planning which amounts to be a big challenge. Secondly, the rising impact of global requirement and the pace of globalization tend us to identify the new requirements of the training mechanisms and procedures and we execute our training directly in accordance to those requirements.

Orientation**Q) Does the organization give new employees orientation?**

Mr. S. Al Qubaisi) The organization treats its employees with honor and dignity. They consider this thing as incumbent part to develop long and sustainable relationships with the workforce. The orientation is conducted in order to aware and familiarizes the workers regarding the work ethics and work environment.

Q) When is it given, how soon after they join the organization?

Mr. S. Al Qubaisi) The orientation is normally organized on the day when an individual joins the organization. Since, organization believes greatly in the efficiency related to the performance of the workers. Therefore, they

consider it as their top priority to fully equip the talented individuals the desired knowledge and expertise.

Q) Who gives this orientation?

Mr. S. Al Qubaisi) The human resource manager is considered to be an extremely ideal person to deliver the orientation. This is due to the reason that the human resource manager is the most able person who possesses the adequate knowledge regarding all the rules and regulations of the organization. After the completion of orientation by HR manager, the employee is referred to line manager who give a further in depth analysis regarding all the issues related to the performance of the job.

Q) How long is the orientation? Half day, full day, longer?

Mr. S. Al Qubaisi) The duration of the orientation covers more than half of the day due to variety of issues and factors. The detailed orientation is done in order to ensure that the staff knows each and every aspect of the organization. The aim and objectives of the organizations are completely shared in order to create a shared value.

Q) What does the orientation session covers?

Mr. S. Al Qubaisi) it covers awarding the employees regarding the protocols and the rules and regulations of the organizations. The staff is told about the employment procedures and strategies that could lead to benefit and promotion of employees. The salary and several promotional packages along with training and development programs are also told to the individuals.

Career Development

Q) Does the organization provide any Career Development for employees?

Mr. S. Al Qubaisi) Yes, certainly, the organization has an extremely efficient and highly proactive human resource department. The human resource department is consistently engaged in adopting strategies aimed at wellbeing and development of the humans. The organization introduces and provides several opportunities aimed at the general uplift of the career of the employees. They are provided road map as to where they should see themselves in the years to come. The process of career development ensures that new graduates are hired who are then further pushed to the position of their desired standards and aspirations.

Q) If yes, which methods do they use to provide this?

Mr. S. Al Qubaisi) First of all, a candidate is given a target job. The target job is directly in accordance with the competency and is related to the education of the individual. An individual development plan is formulated by the organization to lead an individual towards the targeted job. The individual development plans basically specify that what kind of training courses are to be organized in order to ensure better career development of individuals.

Another important aspect of the career development programs are the professional courses on the job as well as off the job. The employees are given chance to work in diverse and complex situations in order to excel in the field.

Conclusion

The training and developmental programs within the organizations are of extreme importance responsibility to improve and overhaul the system to meet the growing needs of the organization (Stephen, 2001). It is a mechanism of evaluating the skills and aptitudes of internal people in the organization and it is a strategy to replace them with the existing talented individuals. These policies hold a significant key to employ all potentials in order to ensure growth and development of organization (HRM, 2007). It is a continuous technique done in order to ensure that true person is working on the accurate post. Various companies have adopted proactive management strategies which have led to sustainable development of the organization. Similarly orientation and development programs are extremely important in creating a highest degree of sense of awareness in the people (Snell. Bohlander, 2012). Career development must be encouraged. The organization must send its employees abroad for higher training.

Interview

Leadership and team Building

Q) Would you consider the company to have “ leaders” or “ managers”? Explain why you hold this view.

Mr. S. Al Qubaisi) The organization must ensure that it has leaders in its organizational structure who can efficiently deal with various complex situations with extreme delicacy. Leaders have deep focus on the people and they are more keen and interested in the long term sustainable growth of the organization. They have a long and comprehensive vision and all the strategies they formulate are directly in accordance with the following of the

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vision of the organization. They demand persistent change and improvement in the organizational structure which is the ultimate basis of prosperity and growth of any organization.

Arafat Al Yafei) in the ever changing world, marked with globalization and economic recession. There is a strong desire and need of formulate short term ideas and strategies as well. Therefore, managerial style of leadership is considered to be the most imperative and crucial phenomenon. This is due to the fact that managers have short term focus aimed on setting up of goals. They are more involved in setting up of tactics and timely measuring and monitoring them on consistent basis.

Analysis

The managerial styles of both managers are different. One encourages that the organization must be led in a way that should be aimed at sustainable development. The other is of opinion that the short term goals must be kept into focus instead of long term goals.

Q) How would you describe the managers' main attitudes (task vs. relationship) and behaviors (leadership style)?

Mr. S. Al Qubaisi) the attitudes of the leadership can be categorized into tasks and relationships. The type of skills related to the performance of tasks are more focused just on resolving the task and is less concerned with interpersonal aspects of the behavior of the person. The relationship style deeply focuses on the interpersonal aspect of the leadership rather than on the tasks performed. There are various styles of leadership that help in the

performance of the related task. It includes autocratic, consultative and participative style of leadership.

Arafat Al Yafei) there are three styles of leadership generally known as autocratic, consultative and participative styles of leadership. The relationship of these tasks deal with the performance of the tasks rather than the interpersonal skills, whereas the relationship related attitudes solely depend on the interpersonal aspects and traits of leadership rather than performance of the tasks.

Analysis

There is an agreement of opinion that the task relation operations are more focused on the attainment of desired goals whereas relationship related attitude is only related to interpersonal satisfaction of the individuals.

Q) What methods/strategies are used by the managers to empower employees?

Mr. S. Al Qubaisi) The empowerment of employees in an important and fundamental practice and it has far reaching consequences. The empowerment of individuals only leads to the betterment and uplift of the organization. The empowerment of the employees can be met and achieved by delegating responsibilities. They can be actively involved in the decision making processes, in fact, they are encouraged to perform participative style of leadership and management.

Arafat Al Yafei) for the uplift and boost of any organization, it is considered as a vital part to empower the employees. The induction of greater trust levels within the complete pool of workers will in fact lead to the overall
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enhancement and maximization of the performance of individuals. There are various strategies that must be incorporated aimed at the empowerment of individuals. These involve transferring and sharing of responsibilities with greater level and balance. The top management must actively involve the lower staff in the decision making processes. These steps will ensure the employment of the employees.

Analysis

It is a universal opinion that the road to the actual prosperity lies in giving autonomy to the employees in the work environment. There must be extremely cordial and friendly environment in ADNOC where all kinds of exchange and interchange of information must be conducted.

Q) Are their leadership styles consistent or is it contingent upon situations?

Mr. S. Al Qubaisi) the leadership styles are normally consistent amongst leaders in the organization who are strongly aspirant for the long term and sustainable development of the organization. Consistency in this style is of utmost importance

Arafat Al Yafei) the leadership styles need not to be consistent but must be rather contingent. This is primarily due to the fact that contingency approach to the leadership is considered to be the most effective one because in this style leaders use all the internal and external situational forces to create a better and optimum strategy.

Analysis

There is a difference in opinion as one manager believes that style of leadership must be consistent and other believes that the style of leadership must vary in accordance with the situation.

Motivation

Q) Does the organization sufficiently support each of the drives identified in four-drive theory? Does the organization seem to keep the four drives in balance?

Mr. S. Al Qubaisi) The four drive theory refers to the eagerness towards acquiring, bonding, learning and defending. The theories related to acquiring, bonding and learning are the pro-active theories. Whereas, the theory related to defending is considered as the reactive theory. The organization of ADNOC considers motivation as an extremely incumbent and vital process of their strategy to excel beyond horizon. It keeps several considerations in mind along with the four drive theories. These theories are normally related to acquiring, bonding, learning and defending. The management has strike the perfect balance between these four drives. They have provided them with extra ordinary benefits in shape of bonuses and financial rewards. The training and seminar programs have been initiated to fulfill the deficiencies in the individuals by offering them chances to train in the best organizations like Schlumberger. The social network of the individuals have faced constant enhancement as the ADNOC has been able to develop its extensive network in the major areas of UAE. However, it has adopted a policy of self-reliance in the field of oil and gas as it considers oil as the biggest threat and challenge that can destabilize the economy of the

country. Therefore, the management has ensured that it keeps all the necessary steps required for keeping a balance between all the drive theories. In order to ensure successful growth and development, the organization must ensure that it strikes a perfect balance between all the theories in order to ensure optimum growth.

Arafat Al Yafei) the four drive theories are extremely pertinent and relevant to ensure the systematic development and growth of the organization. It is the vital responsibility of the organization to ensure that a perfect balance exists between the motive to acquire, learn, bond and defend. The management at ADNOC does its best to satisfy the desires of the individuals. The individuals are given complete assistance in shaping and formulating of the developmental plans of the individuals. The organization has provided deep and complete support by launching various learning programs for its employees. The bonding is highly encouraged as it is one of the major drive forces. The balance is perfectly established in order to ensure optimum performances of the individuals.

Analysis

There is similarity in view related to the implementation of the four drive theory along with the consciousness of the fact that appropriate balance must be established between all of them.

Q) Which categories of extrinsic and intrinsic rewards does the organization emphasize on the most? Which categories receive the least emphasis?

Mr. S. Al Qubaisi) The management of ADNOC considers promotion of staff as the ultimate extrinsic motive aimed at influencing and motivating the staff to perform in an optimal and extremely useful manner. The intrinsic factors include the individual desire of a person to exhibit performance in an effective manner to contribute for the wellbeing of the organization. It includes the inner satisfaction and happiness of the people in learning new diverse ideas. The extrinsic factors are more subjective and they gain more attraction. However, real growth of the organization can never be achieved without satisfaction of an individual in the work which he or she is performing.

Arafat Al Yafei) the motivational force of individuals is driven by extrinsic factors which are very materialistic and intrinsic factors that are related to the fulfillment of individual needs and aspirations of the people. The extrinsic factors are given tremendous importance and the organization puts great priority in giving promotional packages and allowances to the people.

Analysis

Extrinsic factors dominated by increase in wages, promotional activities along with various other benefits are the major source of creating high level of motivation amongst the employees.

Q) Discuss other methods of motivation used by the organization. Apply each method to a relevant motivation theory?

Mr. S. Al Qubaisi) The organization motivates the staff by sending them to various important oil and gas industries like Schlumberger, aimed at enhancing and developing of the technical expertise of the individuals. The Maslow theory clearly suggests that once all the requirements and needs of the individuals are fulfilled, they aim at learning more. The management of ADNOC gives top priority to the scholarship programs and the individuals are send abroad on the basis of various programs which greatly motivates them as well as the remaining staff to perform in an extraordinary manner.

Arafat Al Yafei) the management uses various techniques in order to ensure that all the staff under training is motivated to perform well. Several orientations are conducted that clearly illustrate the road map of career development of the individuals in the organization. The Maslow theory can be used as an example here, simply due to the fact that once the needs and the demands of individuals are filled, they get an increased motivation to excel in a perfect manner.

Analysis

The offering of various scholarship programs and conduction of useful seminars have led to higher degree of motivation amongst various employees in the ADNOC.

Q) Discuss effectiveness of these methods in the organization?

Mr. S. Al Qubaisi) these methods have proven to be extremely effective and useful for the overall benefit of the organization. It has resulted in a larger amount of workforce who are more actively engaged and involved in training and development programs. The increase in larger workforce has proven to be effective as organization has been able to launch many chains of its organization that are spread over a wider range in country.

Arafat Al Yafei) these organizations have adopted several motivational techniques that have generally helped and guided the society in an extremely able manner. The scholarship programs attracted larger amount of audience which contributed in a positive manner in motivating the