

Ethical Leadership and Organizational Safety Performance in Abu Dhabi National Oil Company in the United Arab Emirates

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Abstract

Original Research Article

This scientific research study investigated the effect of ethical leadership on organizational safety performance in Abu Dhabi National Oil Company (ADNOC) in the United Arab Emirates (UAE). The specific scientific objective of the study was: To establish the contribution of ethical leadership on organizational safety performance in Abu Dhabi National Oil Company in the United Arab Emirates (UAE). The research study employed survey and descriptive research designs in order to determine relations among the research scientific study variables using the quantitative approach. The scholar also employed the positivism paradigm so as to traverse through her research procedure. The independent variable (IV) was ethical leadership and the dependant variable (DV) was company safety performance (OP) among the human capital of ADNOC in the UAE. The parent population was 300 employees of ADNOC in the UAE. The sample size was 250 respondents obtained while making use of table made by Morgan & Krejcie (1970). The scholar summarized data with use of descriptive statistics including means, standard deviation and inferential techniques like structural equation analysis and structural path analysis. The findings were among others: Ethical leadership positively predicts company safety performance. It was concluded that cooperation among company leaders and the general employees leads to superior performance with the required safety measures. Recommendations of the organised research study included: organisational leaders should put more emphasis on sensitisation campaigns among ADNOC employees in order to promote safety programs within the company.

Keywords: Ethical leadership, Cooperation, Company safety Performance, UAE.

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INTRODUCTION

International Labor Organization (ILO) (2020) reported that over two million people succumb to work-related fatal diseases and injuries, and around 6000 people die due to workplace accidents and diseases every day. Such occupational injuries and incidents also have severe destructive consequences for employees' behaviors and performance outcomes and organizations' long-term success (Chughtai, 2022; Khan *et al.*, 2018). Thus, an insight into the factors that can positively contribute to employees' safety performance is imperative to reduce work related injuries and incidents (Han *et al.*, 2019; Kelloway *et al.*, 2006; Khan *et al.*, 2018). The culture, behavior and language of the laborers that come from several different countries and the mix of culture in ADNOC is affecting its HSE performance.

It is known that ADNOC always has its primary focus on its corporate health and safety

environment (HSE) performance in order to ensure maximum productivity constantly at all times. However, it has lately been faced with some challenges as it pertains to its corporate HSE record. Total Recordable Injury Rate (TRIR) increased at an average of nine percent (9%) per year since 2011 with ninety-five (95) total numbers of incidents (ADNOC, 2020). In their 2015 Sustainability Report in ADNOC placed great emphasis on the identification and mitigation of Health, Safety and Environment (HSE) risks at every stage of their operations to ensure that hazards are identified, and the associated risks mitigated to a level which is as low as reasonably practicable. To ensure that all aspects of health, safety and environmental management are carried out successfully and consistently across the oil and gas sector in Abu Dhabi, ADNOC established a centralized framework of operational standards against which compliance is mandatory. These standards provide comprehensive cover of petroleum industry activities with distinct HSE risks or impacts, and their requirements adhere to UAE

Federal Laws and Regulations. The operational standards are collectively known as ADNOC Codes of Practice (ADNOC Sustainability Report, 2021).

Chughtai (2022) opined that UAE has existing laws and policies protecting rights of workers to safe work environment. Federal Law No. 8 (FL 8) of 1980 and Environmental Law No. 24 (EL 24) of 1999 stipulate health and safety requirements that must be strictly applied by corporations. Article 55 of the EL 24 requires establishments and enterprises to provide the necessary means of protection to the workers in accordance with conditions of safety and occupational health including choice of machines, equipment and suitable types of fuel, taking into consideration the time of exposure to such pollutants. FL 8 as expanded by Ministerial Order No. 32 of 1982 states that the employer is under obligation to safeguard the safety and health at work for every employee by providing appropriate means for protecting employees from the dangers of fire, equipment-related safety threats, occupational diseases and accidents at work. In addition, the employee is required to use protective clothing and equipment provided that it adheres to all safety instructions prescribed by the employer and avoid causing hazards or acting in a manner that could hamper safety operations.

LITERATURE REVIEW

Ethical leadership is defined as the demonstration of normatively appropriate conduct through personal action and interpersonal relationships, and promotion of such conduct among followers through two-way communication, reinforcement and decision-making processes (Brown and Treviño, 2020). Supervisors demonstrate an ethical agenda, and provide support to multiple people, by displaying ethical leadership practices (Brown et al. 2020). Ethical leaders make fair and balanced decisions, are trustworthy, and listen to the concerns of those around them (Brown and Treviño 2020; Mayer *et al.* 2019). Ethical leadership is important because of the outcomes it is thought to influence. Brown and Treviño (2020) noted that a leaders behavior is often emulated by subordinates because leaders are perceived as attractive and credible models of normative and appropriate behavior, an action that is consistent with theories of social learning. Additionally, leaders who were considered to be ethical convey the importance of ethical standards in the workplace and utilize systems that hold employees accountable for conduct. The observed outcomes of others, again consistent with social learning theory, serve to inform employees about rewards and discipline without first-hand experience (Brown & Treviño, 2020; Brown, Treviño & Harrison, 2020). A moral person displays stable traits (integrity, honesty, trustworthiness) and behaviors (concern for people, personal morality) and makes objective and fair

decisions based on values, concern for others and ethical rules (Hartman, 2022).

Mayer *et al.* (2019) posit that the activation of a moral identity can support the development of an ethical climate. The creation of an ethical climate, based on an ethical leadership culture and on moral grounds, their study suggests, seems to be supportive of better governance.

Butterfield & Weaver (2021) find evidence that managers can increase the moral awareness in the workplace, suggesting training and communications for this. However, it remains questionable if in environments, which do not allow moral persons to act as moral managers, 'communication and training' are promising approaches. Garofalo (2018) concludes that ethics training based on rules, compliance books and behavioral recommendations is ineffective, suggesting values like honesty, responsibility, accountability, fairness and integrity instead, enabling learners to have a better moral reasoning and to understand ethical dilemmas.

However, he does not answer the question, how then such virtues can be embedded, nor how integrity and trust can be established.

A study conducted by Bachmann (2021) shows that lack of ethical leadership is found to be responsible for deteriorating work climate, motivation, morale, and team spirit. Particularly favoritism, inequalities, shouting, blaming, internal competition and unclear strategies ruin motivation, employee health, and co-operation. Kholil (2019) shows similar supporting results of the research analysis as it showed that leadership, safety climate and safety culture have a simultaneous significant effect on 83% safety performance. In the same way, a study on employee performance and leadership styles has concluded that demographic variables, gender, marital status and qualification do not influence employee performance and leadership style. Age causes significant difference in ethical leadership and experience causes significant difference in employee performance. However, the study was limited only to a small sample size (Thakur, 2020).

METHODS AND MATERIALS

Data collection

The systematic study used a survey and descriptive research design with a positivism paradigm. The research intellectual chose a sample size of 250 people in ADNOC using a table invented by Morgan & Krejcie (1970). Amin (2005) stated that an investigator scholar may not study the whole of the accessible population because of time and money constraints. The researcher may select a few people to represent the rest so that the results can be generalized to have emotional impact on the whole of the research study population in

some geographical locale. The researcher utilized a researcher generated survey questionnaire to gather information from the study arena. The survey questionnaire was employed because it collects a lot of information in a limited given interval.

Sampling Techniques

The study academic employed simple random sampling as well as stratified random sampling techniques. The simple random sampling was used because members were able to have equal chances of being picked to take part in the research study while stratified random sampling was likewise utilized because all categories of contributors had to be represented in the scientific research study.

Data analysis strategy

The academic researcher employed descriptive statistics including tables, frequencies, percentages, arithmetic mean, standard deviations and inferential measurements such as structural equation analysis to examine data for a scientific inquiry study.

RESULTS

The following are the results concerning ethical leadership and organizational safety performance among ADNOC human capital in the UAE.

Ethical Leadership (EL)

Table 1 below presents the frequency, percentage, mean and standard deviation of each item, which measures ethical leadership among respondents. A respondent is asked to indicate their opinion which is measured on a five-point scale ranging from 1 (strongly disagree) to 5 (strongly agree). To analyze the level of perception the rule of thumb suggested by Pallant, (2020), if the rating of the instrument is on the five Likert Scale, the level of agreement by respondents can be divided into three groups where the mean score between 0 and 2.33 indicates as low value or level of perception, the mean score from 2.34 - 3.66 indicates as moderate level of perception, while the mean score between 3.67 and 5.00 indicates high level of perception. Thus, when all participants were asked questions on ethical leadership and organizational safety performance, the overall average mean obtained was 3.26 implying that there was a moderate level of perception of ethical leadership. This further meant that leaders at ADNOC have tried their level best to put in place average practices that promote organizational safety performance. Such practices include: fairness, plausible organizational procedures, reasonable disciplinary steps, patience at work by managers, employment of qualified staff, trustworthiness of managers, cooperation of staff and managers and employees participation in decision making.

Table-1: Mean and standard deviation of Ethical Leadership

No.	Items	1 n %	2 n %	3 n %	4 n %	5 n %	M	SD	Rank
EL1	My direct manager makes fair and balanced decisions.	37 10.4	61 17.1	70 19.6	122 34.2	67 18.8	3.34	1.252	3
EL2	My direct manager defines success not only by results but also the way that they are obtained.	40 11.2	60 16.8	86 24.1	108 30.3	63 17.6	3.26	1.249	4
EL3	My direct manager disciplines employees who violate ethical standards.	39 10.9	60 16.8	99 27.7	102 28.6	57 16.0	3.22	1.219	8
EL4	My direct manager listens to what employees have to say.	33 9.2	76 21.3	81 22.7	115 32.2	52 14.6	3.22	1.202	7
EL5	My direct manager has the best interest of employees in mind.	33 9.2	67 18.8	90 25.2	108 30.3	59 16.5	3.26	1.207	5
EL6	My direct manager can be trusted	22 6.2	73 20.4	78 21.8	104 29.1	80 22.4	3.41	1.214	2
EL7	My direct manager discusses business ethics or values with employees.	37 10.4	63 17.6	91 25.5	110 30.8	56 15.7	3.24	1.214	6
EL8	My direct manager discusses business ethics or values with employees.	11 3.1	24 6.7	87 24.4	169 47.3	66 18.5	3.71	.946	1
	Total						3.26	1.21	

Source: Survey Note: n=frequency; %=percentage; 1= strongly Disagree 2=Disagree; 3=Un3.26sure; 4= Agree; 5= strongly Agree M=Mean; SD=Standard Deviation

DIRECT HYPOTHESES TESTING

The structural model assessment as shown in Table 2 below provides the indication of the hypothesis test. Ethical leadership significantly predict safety performance. Hence, the alternative hypothesis was accepted with ($\beta = 0.124$ $t= 2.798$ $p <0.001$)

values. Note that the standardized path coefficient indicates the strengths of the relationship between exogenous and endogenous constructs, so the direct effects of user satisfaction on performance impact are stronger than the direct effects of actual usage on performance impact.

Table-2: Structural path analysis result

Hypo	Relationship	Std Beta	Std Error	t-value	p-value	Decision
H1	EL → SP	0.124	0.044	2.798	0.005	Supported

EL: Ethical Leadership, SP: Safety Performance. H1: alternative hypothesis

DISCUSSION

It was found out that when all participants were asked questions on ethical leadership and organizational safety performance, the overall average mean obtained was 3.26 implying that there was a moderate level of perception of ethical leadership. This further meant that leaders at ADNOC have tried their level best to put in place average practices that promote organizational safety performance. Such practices include: fairness, plausible organizational procedures, reasonable disciplinary steps, patience at work by managers, employment of qualified staff, trustworthiness of managers, cooperation of staff and managers and employees participation in decision making.

This finding was in consonance with the study conducted by Bachmann (2021) on ethical leadership who found out that lack of ethical leadership is found to be responsible for deteriorating work climate, motivation, morale, and team spirit. Particularly favoritism, inequalities, shouting, blaming, internal competition and unclear strategies ruin motivation, employee health, and co-operation. While the finding was not in agreement with the study conducted by Khalil (2019) on ethical leadership and work performance who found out that personality of some managers can lead them to be ineffective in all spheres of the organization including safety performance.

CONCLUSION

It was concluded that cooperation among company leaders and the general employees leads to superior performance with the required safety measures. It is important for managers to possess the knowledge of safety performance management in organisations so that they can easily guide their workers on safety operations at workplace.

RECOMMENDATION ON FUTURE RESEARCH

The other researchers may make an effort to study further: Ethical workplace climate, Organizational culture and the effect of Occupational injuries on Company performance in the world.

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