

# Theoretical Approaches to Leadership in the Indian Oil and Gas Sector

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**Abstract –** This paper discusses the leadership issues and its significance with reference to oil and gas sector in India. It stresses on the fact that the oil and gas leaders have to deal with important responsibility of optimizing safety and productivity so that the all-time high demand of oil and gas can be met. It presents oil and gas sector landscape in brief and stresses on the fact that effective leadership at all levels in oil and gas organisations can help achieve the goal of 100% energy security. The paper discusses the sector specific work environment and urges to have manpower having expertise in the oil and gas domain so as to meet the unconventional challenges along with the conventional ones. An individual on entry in an organisation goes through various development stages. An effective leader will analyse the development stage the subordinate is in and match his leadership style to his stage for performing required tasks and duties (i.e. partnering for performance).

**Keywords:** Oil and Gas, Situational Leadership, Safety, Productivity, Leadership.

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## INTRODUCTION

A number of attempts have been made in the past to define leadership in terms of individual traits, leader behavior, interaction patterns and influence over followers, follower perceptions, role relationships, influence on task goals, and influence on oil and gas Organisational culture in India. There is still no consensus over what leadership is, even after almost eight decades of documented research. Stogsdill pointed out that there are as many different definitions of leadership as there are persons who have attempted to define it. The agreement has been on the conceptualization that leadership is the ability to influence a group towards oil and gas Organisation goals in India. The following two definitions of leadership deserve mention:

1. Leadership is the influencing process of leaders and followers to achieve oil and gas Organisational objectives through changes, and
2. Leadership is the ability of developing and communicating a vision to group of people that will make that vision true.

## REVIEW OF LITERATURE:

**Despierre, (2009):** To respond to the strategic, organizational, operational and technological challenges they face, energy companies will need leadership with a broader, more sophisticated set of skills.

**Dutra, Everaert, and Fust & Millen, (2011):** Leaders need to demonstrate tolerance for Ambiguity and Humility. A high tolerance for ambiguity will be required given the speed with which geopolitical and environmental conditions are changing worldwide.

**Marcella & Rowlands (2013):** • A looming skills shortage at all levels is one of a series of complex problems facing industry leaders as they enter new geographical areas. Current industry leaders share a willingness to reflect on the future of the oil and gas industry and the kind of leadership needed to take the industry forward in a world of unparalleled technical and political change.

- Oil and gas Industry needs visionary and dynamic leaders for the future. These leaders will need a different mix of skills which focus not just on technical ability, but also on effective communication and emotional intelligence.

**Deloitte report, (2013):** there is a demand for a new class of global leaders who can thrive across multiple complex operating environments and manage highly-diverse multi-cultural talent.

**Shuen (2014):**

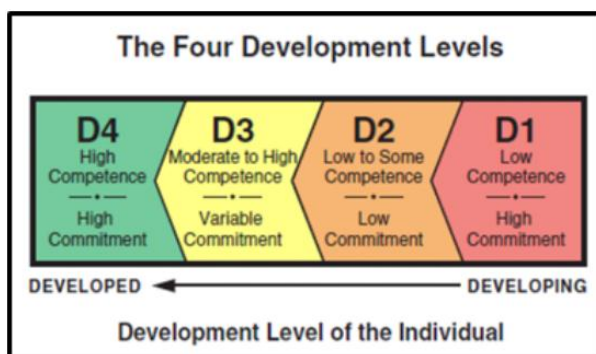
- It depends on the vision of these leaders and their leadership style to move forward and position the companies to compete at global level and achieve the predefined goals.

- These leaders not only know the customs, culture, and etiquette of the region or regions in which they operate, but, more importantly, they understand the nuances of business in those areas.

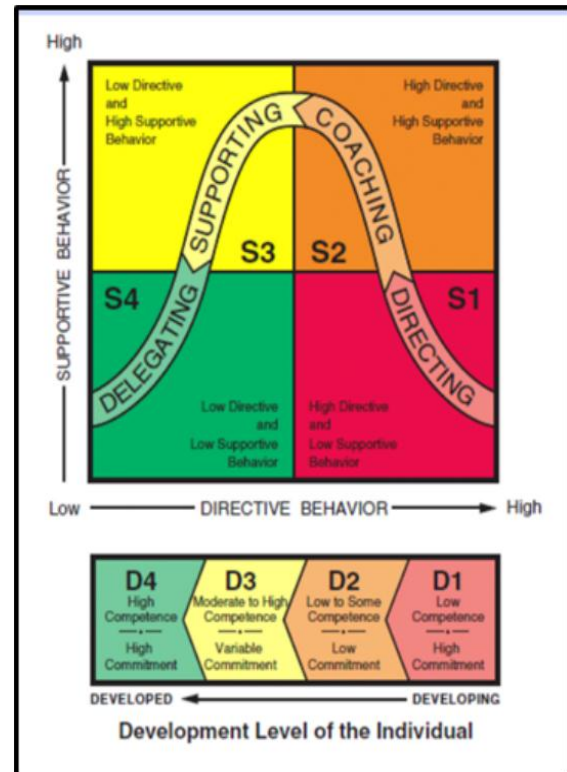
**The work environment in Oil and Gas Sector demands effective leadership:** Working in oil and gas industry is assumed to be dangerous comparatively to working in other industries. The leaders working in this sector have to face following challenges:

- 1) they face pressure to produce which at all-time high due to the revenue streams at stake and huge demand of industry's products and services.
- 2) They work in groups, whose individuals come from diverse generations and cultures and are required to operate quickly and efficiently.
- 3) They have to work admits pipelines containing fluids that highly flammable, combustible and corrosive.
- 4) Moreover the conditions at the wellhead keeps changing as pressures and flowrates fluctuate and weather shifts.
- 5) Mental and physical condition of workers changes throughout the day.

**Situational Leadership II Model:** Leaders and organizations need a systematic approach to communication that allows them to leverage the competence and commitment of their people. Each person's development level can be broken down into two basic components: competence and commitment. The four development levels of the Situational Leadership II Model are characterized by combinations of varying amounts of competence and commitment. As the development level of an individual increases, his or her competence and commitment fluctuates.



**Figure 1: The Four development levels of an individual. (Source: A Leadership Imperative for the Oil and Gas Industry 2011)**



**Figure 2: The Situational Leadership II Model (Source: A Leadership Imperative for the Oil and Gas Industry 2011)**

The goal of Situational Leadership II is to match the leadership style that is appropriate to an individual's development level at each stage of development on a specific goal or task. The leader provides the direction and support that an individual needs in order to move along the development continuum—through the development cycle—from Development Level 1 (developing) to Development Level 4 (developed). As development level changes, the leader's style should change. See Figure 1. Another component of this model is Partnering for Performance. In partnering, the leader and the individual agree on goals, development level, leadership style, future leadership behaviours, how to stay in touch, and how often to stay in touch. See Figure 2.

**Effective Leadership is needed to meet the following challenges in the Oil and Gas Sector:**

1. Achieve 100 % energy security and self-reliance through increased indigenous production.
2. For designing policies which can facilitate meeting the future energy needs of the country.
3. To ensure safety and security in the industry's operations so that the accidents

can be minimized example: preventing oil spills, explosions in chemical plants etc.

4. To optimize the rising costs of exploration, development and production.
5. To meet shortage of technical talent and to ensure regular availability of capable manpower having expertise in the domain.
6. To meet rising expectations of regulators, shareholders and communities, all of which are demanding more from oil and gas companies? Regulations are becoming increasingly complex and regulators more proactive, requiring a greater level of attention to ensure compliance.
7. To achieve operational excellence that allows oil and gas leaders to confidently say and prove that they are running their assets safely, reliably, sustainably and cost effectively.
8. To enhance quality of life by progressively improving product standards so as to ensure a cleaner and greener India.
9. To develop hydrocarbon sector as a globally competitive industry which could be benchmarked against the best in the world through technology up gradation and capacity building in all facets of the industry?

## CONCLUSION:

The Leadership Model describes the development levels of an individual in an oil and gas organisation in India. The goal of Leadership is to match the leadership style that is appropriate to an individual's development level at each stage of development on a specific goal or task in oil and gas industry. The choices made by a leader in an oil and gas organisation have tremendous impact on safety and productivity at the individual as well as the oil and gas organizational level. Hence leaders need to demonstrate clarity of core leadership values and principles that can have a positive connection to improving the systems and processes which lead to safe working environment. The outcomes of this study partially support the main principles of Situational Leadership in regards to the idea that there is no one best leadership style and that a leader has to adjust leadership style according to a follower's readiness level. This was the case when it came to satisfaction with one's manager but in the case of job gratification, the results suggested that leaders had to take followers' willingness to accomplish their tasks into consideration because this factor was related to their job gratification.

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