SELECTING SUPERVISORS THROUGH EARLY PREPARATION FOR
HIGH POTENTIAL WATCH LIST IN SAUDI ARAMCO

BY

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OPEN UNIVERSITY MALAYSIA
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Project Paper Submitted in Partial Fulfillment of the Requirement for the Degree of Master of Business Administration in Human Resource

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ABSTRACT

This study research is about preparing the High Potential Watch List to presume the First-Line Supervisors and become Future Leaders in Saudi Aramco. The objective of this study is to suggest a development training program for High Potential Watch List early and retirees’ executives to deliver them. The instrument that has been used in this study is previous documented studies and questionnaires for new hire employees and high potential watch list employees.
ACKNOWLEDGMENT

This project paper has been a very rewarding experience for me in an area that is of my great important study. The preparation and completion of this study was challenging and would not have been possible without the collaborative inputs, contributions and assistance of many people. I would like to take this opportunity to express my utmost gratefulness to the following people who provided generous amounts of support and cooperation during this scholarly endeavor.

I am deeply grateful and wish to express my sincere appreciation to my supervisor, Dr. Anwar Al-Jawder for his invaluable guidance and precious and constructive ideas with outstanding comments and encouragement to make this project paper success. Thank you for your insight and contributions.

I wish to extend my sincere appreciation to my colleagues in SAUDI ARAMCO who have been very cooperative and patient in answering the questionnaires and participating in the interviews.

Closer to home, I want to acknowledge the support of my family and especially my younger brother Ahmed Al-Hamdan who spent time a way from his family to drive me to Bahrain to do my exams and waiting for hours until I am done, I want to thank my tow little sisters who support me all the way during this journey, to my mother for her willingness to tolerate my disappearance for events and weekends than I should have gone while working on this paper. Finally, TO My Father, who would be very proud of me, as he always does, if he was alive. May God bless you all!

NOURAH AL-HAMDAN
OPEN UNIVERSITY MALAYSIA
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APPLICATION TO CONDUCT RESEARCH PAPER

PART A: STUDENT’S PARTICULARS

Name of the Student: Nourah Hamdan Ibraheem Al-Hamdan

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PART B: PARTICULAR ABOUT THE PROJECT

1- The Title of the Project: Selecting Supervisors through Early Preparation for High Potential Watch List in Saudi Aramco

2- Research Objectives: to suggest a structure program to prepare the high potential watch list early before presuming the supervisory position as a first step for managerial ladder and become future leaders equipped with all tools needed for their journey.

PART C: FACULTY’S INPUTS

Supervisor Name:

Supervisor Signature: ________________________________
RESEARCH PROPOSAL APPROVAL FORM

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Director
Center of Graduate Studies
Open University Malaysia

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Attached are the following documents for your evaluation and approval:

i. Chapter (1): Introduction

ii. Chapter (2): Literature Review

iii. Chapter (3): Research Methodology

iv. References

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ID: 51060350

I hereby declare that this project paper is the result of my own work, except for Quotations and summaries which have been duly acknowledged.

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Open University of Malaysia (OUM)
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   Chapter 2: Literature Review
   Chapter 3: Research design
   Chapter 4: Data and Analysis
   Chapter 5: Discussion
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Supervisor's Signature:
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CHAPTER I
INTRODUCTION

1.1 INTRODUCTION

Supervisors have many responsibilities. One of the major responsibilities is to accomplish the department objectives of getting jobs done. Companies look at the role of supervisors as the driver to get the operations of the company performed effectively and productively to gain the profit and growth. An excellent supervisor is the one who motivates and organizes his group to do their work efficiently and productively. A good practice of leadership skills are necessary to gain the strategic goals through adopting Teamwork Sprit, encouraging innovation, motivation, mentoring, communication and create a trustful environment. Supervisory Jobs will note be as effective as it should be unless he/she have the Leadership Competency where he/she can fulfill the strategic goals of the company by retaining best in class workforce.

1.2 The Importance Impact of Developing Leadership Behavior within Organizations/ companies?

Are today’s leaders and managers receiving adequate training and development to equip them for success within their organizations? The answer is probably, “Yes.” However, could their training and development do a better job of equipping them for success? The answer is again, “Yes” -- especially if developmental training came at the best time in the individual’s career.

More often than not, developmental training (i.e., training to prepare an individual for the next higher position) is overlooked, inserted into one’s career at an inappropriate time, or lumped
together with other inappropriate training. This phenomenon is frequently seen when dealing with the leadership and managerial skills of individuals within many organizations. In order to be effective, leadership and managerial training cannot merely be thrown at an individual at any time and have expectations that the individual will be able to later recall facets important and necessary years down the road. The timing of required leadership and managerial training is as critical as the training itself.

**Leadership vs. Management**

There is a difference between the terms leadership and management (Albrecht, 1996; Bennis, 1989: Bennis & Goldsmith, 1997; Kotter, 1990; Nahavandi, 1997; Selznick, 1957; Shriberg et al., 1997; Zaleznik, 1977). Generally speaking, leaders are assigned attributes that allow them to energize their followers. Managers, on the other hand, are the individuals who take care of the mundane and routine details. Selznick was one of the first to address this difference:

Leadership is not equivalent to office-holding or high prestige or authority or decision-making. It is not helpful to identify leadership with whatever is done by people in high places. The activities we have in mind may or may not be engaged in by those who are formally in positions of authority. This is inescapable if we are to develop a theory that will be useful in diagnosing cases of inadequate leadership on the part of persons in authority. If this view is correct, it means that only some (and sometimes none) of the activities of decision-makers are leadership activities. Here again, understanding leadership requires understanding of a broader social process. If some types of decisions are more closely related to leadership activities than others, we should learn what they are. To this end in this analysis let us make a distinction between routine and critical decision-making. (Selznick, 1957, p. 24) According to Bennis and Goldsmith (1997),
There is a profound difference—a chasm—between leaders and managers. A good manager does things right. A leader does the right things. Doing the right things implies a goal, a direction, an objective, a vision, a dream, a path, a reach. . . . Managing is about efficiency. Leading is about effectiveness. Managing is about how. Leading is about what and why. Management is about systems, controls, procedures, policies, and structure. Leadership is about trust—about people. . . . Leadership is about innovating and initiating. . . . Leadership is creative, adaptive, and agile. Leadership looks at the horizon, not just the bottom line. (p. 4)

Zaleznik (1990) suggests that leaders, not managers, are charismatic and can create a sense of excitement and purpose in their followers. Kotter (1990) states that management is designed to bring order and consistency through planning, budgeting, and controlling. Leadership, on the other hand, is aimed at producing movement and change. Conger (1992) agrees and states that management “produces a degree of predictability and order” (p. 20), while leadership “produces change, often to a dramatic degree” (p. 20). Tichy and Devanna (1986) believe that “managers are dedicated to the maintenance of the existing organization, whereas leaders often are committed to its change” (p. 28). Ghiselin (1989) concurs, “While the manager’s role is primarily transactional, the leader’s is transformational. The leader sets the overall environment, forms and shares the vision, the mission, the goals” (p. 9).

With this in mind, when is the most appropriate time for leadership and managerial training and development? Obviously, the realistic approach would provide sufficient development training prior to the individual being selected to a higher-level position. Leadership training needs to be provided prior to one assuming a position requiring significant amounts of leadership. Similarly, appropriate management training needs to be provided prior to one assuming a position requiring that particular skill. Figure 1 illustrates the level of skills typically required for individuals in various leadership and managerial positions.
First Line Supervisors

First line supervisors require a significantly greater amount of leadership training to be successful in their positions, focusing on people skills—communication; problem-solving, team-building, counseling, motivating and energizing subordinate workers. It is the first line supervisor who communicates the task requirement to each subordinate worker and influences each worker to perform in such a manner to accomplish the task in an effective and efficient manner. Successful first line supervisors interact with subordinate workers on a daily basis and know them on a personal level in order to more effectively motivate him/her. Leadership skills are critical for first line supervisors.

However, the requirement for managerial skills (i.e., planning, organizing, coordinating, directing, controlling) at this level are not completely absent. These supervisors still need to be involved with operational level planning and organizing (i.e., what worker is assigned to work on
what task) as well as operational level directing and controlling (i.e., supervision of workers as they execute assigned tasks). Although first line supervisors still need these managerial skills, and some training in these skill sets should be provided, the emphasis for success at this level should be focused on the leadership skills.

As a first line supervisor prepares for advancement or promotion to the ranks of middle management, the skills required change. Therefore, intensive managerial training should be provided to senior first line supervisors preparing to advance up the corporate ladder to better prepare the individual for success in the next higher position.

**Middle Managers**

The middle manager is one step removed from the line workers and direct contact with these workers on a daily basis significantly decreases. Middle Managers’ effort is focused on tasks such as budgeting and allocating resources, tactical level planning, coordinating between departments, and monitoring the implementation of control mechanisms within the department--managerial tasks.

However, leadership skills are not completely absent. Middle managers still need to demonstrate solid leadership to their subordinate supervisors with whom there is daily interaction, keeping them motivated and energized towards accomplishing the organization’s goals and objectives. And although the middle managers typically are not in daily contact with the line workers, their decisions do impact on the workers and their actions are under constant scrutiny from the rank and file. Leadership skills are still required by middle managers. However, the
leadership skills developed prior to becoming and refined while serving as a first line supervisor should be adequate for success in middle management positions.

As a senior middle manager prepares for advancement or promotion to the next level, it is important to capitalize on the leadership and managerial skills already in use, and learn the skills required by administrators. Developmental training for middle managers should consist of additional managerial training, especially in the area of strategic planning and policy development.

**Executives**

Jumping to the organizational executives, one again sees a greater requirement for leadership skills. This type of leadership differs slightly from that required for the first line supervisor and deals more with “visionary” leadership—looking into the future, determining the direction the organization will go, and what actions will be needed to get there. According to Nahavandi (1997), “Leaders have long term and future-oriented perspectives, and provide a vision for their followers that looks beyond their immediate surroundings, managers have short-term perspectives and focus on routine issues within their own immediate departments or groups” (p. 10). Therefore, these individuals need leadership skills to determine and set the direction for the organization (i.e., establish the vision for the organization) and energize everyone within the organization to achieve the organization’s goals (i.e., aligning everyone behind that vision).

Obviously, managerial skills are not completely absent. Executives still become involved with some managerial tasks (i.e., budgeting, planning, and resourcing), however, not nearly as extensively as the lower level managers and administrators. Furthermore, the managerial skills acquired and developed throughout the middle manager and administrator levels are typically sufficient for those in executive positions.
Administrators

The executives develop the organization’s vision and pass it to the administrators to develop organizational policies which will achieve that vision. Therefore, being the first echelon from the top which develops the strategic plans, establishes budgets, and allocates resources, administrators are primarily involved with managerial type tasks. However, senior administrators need to begin developing their visionary leadership skills in preparation for advancement into the executive ranks.

Training Requirements by Position:

<table>
<thead>
<tr>
<th>Position/Level</th>
<th>Typical Tasks</th>
<th>Skills Required</th>
<th>Training Required for Current Position</th>
<th>Developmental Training</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Line Supervisor</td>
<td>Operational Planning, Task Assignment,</td>
<td>Interpersonal skills, Communication,</td>
<td>Leadershi</td>
<td>Tactical Level Managerial</td>
</tr>
<tr>
<td>Middle Manager</td>
<td>Tactical Planning, Resource Allocation,</td>
<td>Planning, Organizing, Budgeting,</td>
<td>Manageria</td>
<td>Strategic Level Managerial</td>
</tr>
<tr>
<td>Administrator</td>
<td>Strategic Planning, Policy</td>
<td>Planning, Organizing, Budgeting,</td>
<td>Manageria</td>
<td>Visionary Leadership</td>
</tr>
<tr>
<td>Executive</td>
<td>Organization Vision, Align Employees</td>
<td>Communication Motivation,</td>
<td>Leadershi</td>
<td>Additional Leadershi</td>
</tr>
</tbody>
</table>
Leadership is a mysterious quality of the human endeavor which many people aspire to but only a few attain it. With this skill, the supervisory skills come to life. The company expects the supervisor to use the leadership skills and his group looks for his guidance and direction to complete the task. Hence, supervisor plays a key role in the growth and profitability of the company. The important criteria that must be included for maintaining the leadership and enable to run an efficient and productive department include:

1. Prioritize the requests and inform those concerned for the progress and fulfill those requests.
2. Get the paperwork done on time.
3. Keep updating the status of the works and the needs of your subordinates.
4. Should be predictable and reliable
5. Should be goal and group oriented.
6. The supervisor should set a good example for in the way of handling the job.

1.3 Supervisory Position in Saudi Aramco

Selecting supervisors are a critical issue in Saudi Aramco. The First-line supervisors are the Future Leaders of the company as they are responsible for day-to-day leadership, coaching, and mentoring of non-supervisory employees. They also serve as an advocate for the organization policies and programs and represent employees’ interests to senior management. Therefore, Saudi Aramco has established a program to identify the High Potentials and High Potentials watch to be developed for leadership positions either for Supervisory positions or otherwise.

Although, Saudi Aramco is supporting the development of the Leadership Talents and have them sent to special courses called (Operational Excellence Courses) to develop their leadership
competency and prepare them for future leadership positions, however, the result isn’t what was expected. Operational Excellence courses address five competencies which are: Business and organizational awareness; Strategic planning; Continuing excellence; Problem solving and decision-making; and Analytical ability and job knowledge. This program is supposed to pave the way for High Potentials to managerial positions. Whereas, for High Potentials Watch List no program structure for them to prepare them earlier for the Supervisory Position except list them in Spread Sheet and keep track of their progress from their direct report or manager. As the “People Skills” isn’t part of Supervisors Job Description and the technical knowledge is having the most rating factors of Supervisory competencies, people skills should be taught at this stage of identification or monitoring.

Operational Excellence courses are excellent traits for developing leaders, however, Saudi Aramco has to this program especially for Division Heads and Supervisors who are (High Potentials) but not for High Potential Watch List. The minute the organizations identify the High Potentials Watch List, who supposed to be young; they should start development plan to presume the supervisory positions. Developing the Leaders in the early stages will gradually lead them to the Supervisory positions equipped with good tools to start the position.

In the 21st Century, first-line supervisors must do more than manage a budget, review work for technical accuracy, and analyze programs. They also must communicate their organization’s vision, lead change, build high-performing work teams, and coach and mentor employees—all while coping with enormous challenges and change.
1.4 Objective

The purpose of this study is to create a structure program for High Potential Watch List within the Leadership Department Courses in Saudi Aramco Company to presume the supervisory jobs equipped with tools needed. Saudi Aramco is fully aware of the weakness of the first line supervisors in terms of people skills and they are trying intensively to encourage the whole corporate to revise the job descriptions and what good program should be adopted to elevate the level of skilled supervisors/leaders. This report will design a good curve or career path to the young high potentials watch list until they reach the level of competent leader. We will stress on the dual competency base- both technical credibility and leadership capabilities and potential. The proposed development program should make the supervisors understanding that the work being supervised should manage both human and financial resources efficiently. This study will highlight the technological tools that should be utilized to help the managers’ track the developments needed for selecting the supervisors.

The objectives of this study are:

1 To develop the high potential watch list to be the future leaders starting from first line supervisors to the CEO.

2 To understand the variables between the employees and the supervisors.

3 To develop a correlation between the high potential watch list with the higher positions at the Company.

4 Understanding the personality development of the Supervisors.

5 To develop the criterion of Ranking within the organization.
1.5 Problem Statement

Most of the front-line supervisors are promoted to their positions because they have a proven track record of doing a job well but not because they have skills to lead people. Many supervisors are continuing doing what they usually do as “tasks oriented” before the position and neglecting developing the assets of the organization who will be carrying out the strategic goals and long range vision of the company years later after he leaves. Therefore, the team members become demotivated as they never practice the challenge, lacking the feedback, create tension and “not my business” culture, selfishness, no clear purpose and down the road he will create a big gap and unproductive team members. Selecting Supervisors competencies should include soft skills to create a healthy and productive work environment that promote Teamwork culture in terms of trust, communication, motivation, coaching /mentoring, empowerment, accountability, and having “People Oriented” skills. “. Dr, James Thomson in his research of (Training Supervisors to be leaders) has indicated that The National Academy of Public Administration (NAPA) summarized the comments by focus group participants on the “perceived environment and current skill base” of federal managers and supervisors. This research found that first-line supervisors too often:

♦ Lack communications skills, both written and oral
♦ Lack team building skills
♦ Have general technical knowledge
♦ Are not chosen for their ‘people skills’
♦ Are not well trained in supervision
♦ Do not know how to deal with people issues and lack sensitivity
♦ Lack listening skills
♦ Receive minimal and dated supervisory training
♦ Lack the resources and time for development

And Aramco is no exception of the above result. Lately Saudi Aramco has conducted a Talent Focus Group workshop for the youngest employees (23-30 age groups) to feel and grasp what are the important attributes that are lacking in their work environment from their point view and the result is as follow:

**Workplace Attributes:**

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Career Plans</td>
<td>41</td>
</tr>
<tr>
<td>Communications</td>
<td>36</td>
</tr>
<tr>
<td>Recognition</td>
<td>36</td>
</tr>
<tr>
<td>Workplace Environment</td>
<td>24</td>
</tr>
<tr>
<td>Challenging Assignments</td>
<td>21</td>
</tr>
<tr>
<td>Engagement</td>
<td>14</td>
</tr>
<tr>
<td>Mentoring</td>
<td>9</td>
</tr>
<tr>
<td>Accountability</td>
<td>8</td>
</tr>
</tbody>
</table>

This result has raised a lot of questions about Supervisors leadership courses and competencies.

**1.6 Significance of the Study**

These days, the quest for job satisfaction exists and leadership behavior has great impact. In this modern trend, this study was unique and added to the existing body of knowledge concerning job satisfaction and criteria of selection of first line supervisors. There are many factors and
demographic variables of gender, race and ethnicity that may affect the job satisfaction in a group with tenure and organizational status.

1.7 Scope and Limitations of this research

As this is a vast area, our study is limited to the key performance indicators for the selection of the supervisors. More of this research can be emphasized on the individual performance by evaluating through surveys, interviews and other

1.8 Organization of Thesis

This thesis is organized into five Chapters. Chapter one presents the introduction for the need of supervisors for the company with special emphasis on Saudi Aramco. Chapter two presents the extensive literature review. Chapter three presents the methodology of the research. Chapter four presents the discussion of the key performance indicators for the selection of supervisors. Finally chapter five presents the results and conclusions.