

# WOULD ATTITUDE MODERATE ORGANIZATIONAL PERFORMANCE? A CASE STUDY ON THE OIL AND GAS INDUSTRY

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## Abstract

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While a founder's hard work and intelligence are imperative for business success, it also depends on the workforce at every level of the hierarchy. For this reason, academics and organizational managements are increasingly interested in research on organizational performance and human capital. In addition, emphasis is being made on the significance of organizational culture as a catalyst or inhibitor for organizational performance. The petroleum industry is Kuwait's largest industry, making up about fifty percent of the country's gross domestic product (GDP). Thus, it is concluded that the relevance to the following paper's introduction has become appropriate in light of the most recent and recurring papers. This makes it important to analyze the impact of dimensions of human capital, such as skills, attitude, and knowledge, on organizational performance. This study examined a population of Kuwaiti workers employed at private oil and gas companies. Out of 690 questionnaires, 512 responses were returned, and 373 of these were deemed valuable for analysis. The data analysis was done using structural equation modelling (SEM) with the SmartPLS 3.0 software. Probability random sampling was utilized for sample selection in this study. Skills, attitudes, and knowledge significantly affect organizational performance among Kuwait's employees who work in the private gas and oil sector.

**Keywords:** Human Capital, Skills, Knowledge, Attitude, Power Distance, Organizational Performance, Kuwaiti Private Oil and Gas Industry

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## 1. INTRODUCTION

The multidisciplinary human capital aspect provides both a valuation challenge as well as a wealth of insight (Bontis et al., 1999; Boon et al., 2018) along with relevance (Boon et al., 2018). Furthermore, human

capital has been identified as a crucial prerequisite for economic development amid intense globalised competition (Čadil et al., 2014; Huang & Liu, 2005; Pelinescu, 2015).

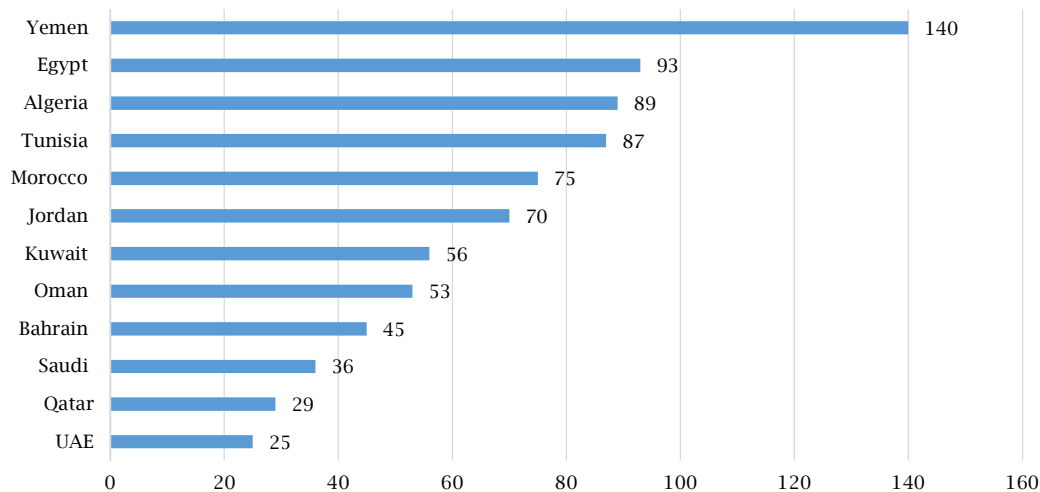
The petroleum sector is Kuwait's most important industry, as it is responsible for about

fifty percent of its gross domestic product (GDP) (Kuwait Oil Company [KOC], 2022). Kuwait has 15 km<sup>3</sup> or 104 billion barrels of proven crude oil reserves (Central Intelligence Agency [CIA], 2023). It has been calculated that 9% of the world's reserves are found in Kuwait. The country is home to Burgan Field, which is the world's second-biggest oil field. It possesses oil reserves that are the fourth highest compared to other reserves worldwide. In addition, Kuwait has become the world's seventh-largest oil exporter as well as the eleventh-largest oil producer. (British Petroleum [BP], 2020; U.S. Energy Information Administration [EIA], 2019). Kuwaiti oil production makes up 3.1% of the world's total oil production (BP, 2020; EIA, 2019). In consideration of these facts, the performance of Kuwait's gas and oil sector companies is of particular significance for the economy and the standard of living of the citizens.

Alternatively, the World Economic Forum (Schwab, 2019) has placed Kuwait at 56 in

the organisational performance ranking in comparison with its neighbours. This indicates that Kuwait falls behind the Western world and its Gulf Cooperation Council (GCC) counterparts. For instance, the UAE is in the 25th position, Qatar is in the 29th, Saudi Arabia is in the 36th, and Oman is in the 53rd. As demonstrated by these figures, Kuwait is far behind compared to its neighbours, making it essential to examine the factors involved. For this purpose, it is best to study the gas and oil sector since it provides a suitable context. In addition, this report shows Kuwait's ranking with regard to performance at 37 out of 144 in 2012-2013 and 36 out of 148 in 2013-2014. Further, it ranked 40 out of 144 in 2014-2015, 34 out of 140 in 2015-2016, 38 out of 138 in 2016-2017, and 52 out of 137 in 2017-2018. This indicates the deterioration and fluctuation in the performance level over the years till it ranked 56 in 2019.

**Figure 1.** Organisational performance ranking in Kuwait compared to neighbouring countries (ranking among 141 countries)



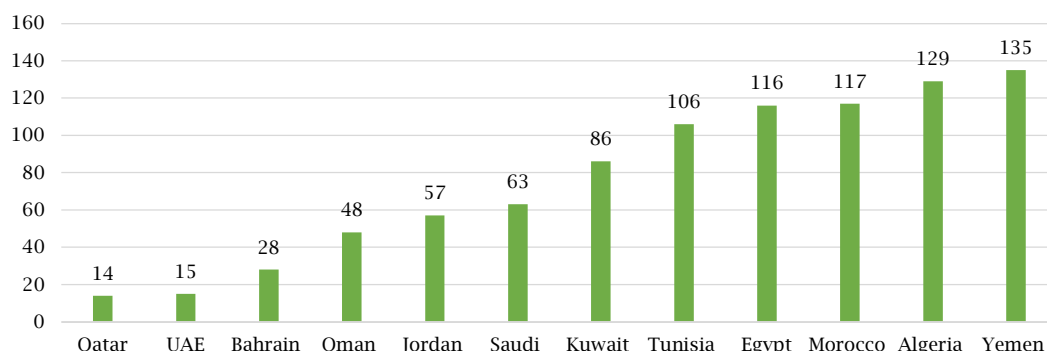
Source: Schwab (2019).

Furthermore, according to the Chartered Institute of Personnel and Development (CIPD, 2017), the concept of human capital rose from factors like personal skills, knowledge, and attitude, as well as unit-level resources (Ployhart & Moliterno, 2011). Since human capital has been increasingly linked to competitive success, analyses should be capable of analysing the link between human capital at the individual level as well as organisational performance and capabilities. This study aims to offer in-depth insight to policymakers as well as leaders in Kuwait's private gas and oil sector using useful recommendations and information about human capital as well as its impact on organisational performance. Also, the significant market size is

beneficial to the economy and is associated with the entire GCC countries.

Additionally, Global Competitiveness Report (Schwab, 2018), a report that discussed levels of staff training, reported that Kuwait was ranked 86 among 137 countries, which was not found to be promising. A comparison of Kuwait with neighbouring countries demonstrates the relative standing of Kuwait in this area, which significantly impacts organisational performance as improvement is needed in the knowledge and skills of employees to enhance it. This calls for an examination of human capital impact factors such as skills, attitude, and knowledge of organisational performance.

**Figure 2.** Extent of staff training ranking in Kuwait compared to neighbouring countries (ranking among 137 countries)



Source: Schwab (2018).

Most studies on current human capital have focused on developed nations, particularly the Scandinavian and Anglophone nations (Guillaumont et al., 2017; Tiemer, 2018). Nonetheless, as research has pointed out in Mexico, this concept has evidence of global appeal (Cisneros & Hernandez-Perlines, 2018; Mirza et al., 2020), in Ireland (O'Regan et al., 2001, 2005), Portugal (Cabrita & Bontis, 2008; Ferreira & Franco, 2017, 2020), Malaysia (Mihardjo et al., 2021), Australia (Bontis & Girardi, 2000; Martin-Sardesai & Guthrie, 2018), Egypt (Seleim et al., 2004, 2007), and others. Also, the Arab region (Mihardjo et al., 2021) has also shown increasing interest in working on the development of human capital.

This research is among the initiatives aimed at developing deep insight for business leaders and policymakers in the industry to equip them with valuable recommendations and useful information about the impact of human capital on organisational performance. Additionally, it points toward the fact that this industry's large market size is significantly beneficial for the economy, including all countries in the GCC.

As suggested by Hofstede et al. (2010), cultural diversity is responsible for generating different results in social sciences. Kuwait differs from several Western countries because it has reduced levels of individualism and a significant power gap. Therefore, in this study, power distance was examined as a moderator to determine how it could act as an inhibitor, adversely affecting the link between organisational success and human capital in the Kuwaiti oil industry's context.

In light of the considered direction for the resulting study, the following research questions are developed for interrogation:

*RQ1: What is the role of influence on organizational performance within the selected company?*

*RQ2: What are the aspects of organizational performance, which are unleashed with regard to their impact on organizational performance?*

The principal aim of this research is to study how skills, knowledge, and attitude factor affect organisational performance while testing that power distance plays a moderating role among Kuwaiti employees working in Kuwait's private gas and oil sector.

The following paper is divided into seven sections. Section 2 provides the literature review. Section 3 describes the research methodology. Section 4 presents data analysis and results. Section 5 discusses the findings and implications. Section 6 deals with limitations and conclusion.

## 2. LITERATURE REVIEW

### 2.1. Human capital

The term "human capital" can be defined in several ways. Human capital was considered an intangible asset in earlier studies. On the other hand, social scientists and economists have suggested that skills, attitudes, and knowledge are any organisation's essential resources (Barney, 1991; Blair, 2011; Becker, 1993; Schultz, 1971). Various perspectives on studying human capital are described below.

Researchers studying business and organisational performance have faced extensive criticism. There is growing evidence that suggests a positive link between organisational performance and human capital (Kamukama & Sulait, 2017). While organisations realise the importance of human capital, Pasban and Nojehdeh (2016) suggest that intangible resources like human capital impact market value more than tangible resources. Other researchers have suggested that while it is imperative to recruit and retain the best talent, organisations also need to focus on providing a healthy environment where employees can boost their knowledge and hone their skills (Angelopoulos et al., 2017; Kamukama & Sulait, 2017; Mandal, 2018).

Human capital comprises qualities, for instance, aptitude, knowledge, and experience of individuals that are valuable for organisations (Baron, 2011). The term has been extensively discussed in human capital literature, particularly over the last ten years. Human capital is also used to describe individuals and their characteristics that are considered valuable for an organisation (Robinson & Ally, 2009). The concept may be defined as a set of intangible resources assimilated into labour factors to increase productivity (Teixeira & Queirós, 2016). In addition, it can be associated with skills, knowledge, abilities, and other qualities gained through characteristics, experience, and education (Samagaio & Rodrigues, 2016; Teixeira & Queirós, 2016).

Alternatively, human capital is crucial for economic development (Teixeira & Queirós, 2016). It has a beneficial effect on economic development when it leads to the creation of new products and leveraging of modern technologies.

### 2.1.1. Knowledge

Knowledge was recognised as a crucial factor for organisational success a long time ago. Several researchers (Banu & Chandran, 2019; Jiang et al., 2019; Mariz-Perez et al., 2012) report that organisations utilise their human capital's knowledge for improving their futures. Therefore, the knowledge of an organisation's employees can have a significant impact on organisational performance (von Krogh & Wallin, 2011). Other research (Deniz et al., 2017; Rahman & Azhar, 2011) has pointed out that unique knowledge can be a vital parameter for boosting an organisation's competitive advantage. Almutirat (2022) suggests that due to the fact that tacit knowledge is difficult to create or share, it proves to be an important organisational asset. In addition, employee knowledge can strongly impact organisational performance (Farouk et al., 2016; von Krogh & Wallin, 2011). Similarly, Banu and Chandran (2019) added that when the human capital's skills, knowledge, and attitudes are unique, they become crucial elements for the organisation's competitive advantage. Therefore, the following hypothesis is being put forward in this study, which aims to examine the link between and impact on the human capital of parameters like skills, attitudes, and knowledge of the employees on organisational performance:

*H1: A strong positive effect of statistical significance at a significant level (0.05) between knowledge and organizational performance in the private gas and oil sector of Kuwait*

### 2.1.2. Skills

"Skills" is an additional parameter of human capital. It may be described as "an evolving process having strong interactive elements that are required by organisations present in the modern economy" (Alseiari et al., 2019, p. 7225). Employees derive their skills from their learning capabilities leveraged in their schools or environment, or their motivation (Glendon et al., 2016).

The evolving global economy creates the need to hire individuals who are skilled and capable of benefiting organisations at the least possible cost (Brixiová et al., 2020). Additionally, all organisations consider skilled human capital a source of good-quality services (Subramony et al., 2018). According to some researchers (Mandal, 2018; Subramony et al., 2018; Sun et al., 2020), business leaders and managers should be capable of retaining qualified and skilled employees in their firms if they hope to improve organisational performance.

Research in Saudi Arabia by Seleim et al. (2007) was aimed at examining the link between human capital and organisational performance. Previous studies confirmed the hypothesis that skilled employees can have a deeper influence on organisational performance. Therefore, the following hypothesis is being proposed in the current study.

*H2: A strong positive effect of statistical significance at a significant level (0.05) between skills and organizational performance in the private gas and oil sector of Kuwait.*

### 2.1.3. Attitude

According to Ulrich et al. (2007), competency may function in comparison with the other elements of human capital, particularly attitude. Attitude covers workers' knowledge, abilities, and willingness for knowledge application. Evidence suggests the impact of employee attitude in conjunction with communication and compassion. Boon et al. (2018) and Brixiová et al. (2020) reported a powerful relationship between job performance and employee attitude. Along with knowledge and skills, they observed that human capital interactions were vital for achieving the required levels of organisational performance. Alseiari et al. (2019), Mandal (2018), and Úbeda-García et al. (2018) suggested that it was important to continuously learn all organisational rules and standards that are acquired from the expertise, competency, and knowledge of the human capital. In this research, the attitude was considered a vital human capital component. Consequently, it was included in the hypothesis, which was proposed as follows:

*H3: A strong positive effect of statistical significance at a significant level (0.05) between attitude and organizational performance in the private gas and oil sector of Kuwait.*

## 2.2. Power distance

Cultural context can have a significant impact on decision-making. In societies having low levels of power distance, subordinates and superiors are deemed partners. Therefore, employees believe they possess the right to play a role in decision-making on issues involving them (To et al., 2020; Wei et al., 2017). Individuals make efforts to balance power distribution and demand explanations for power inequalities. Competence is leveraged to attain expert power instead of being used as an indication of social status. In addition, in cultures having high power distance, individuals are fearful of getting punished if they disagree with decisions made by the management. In contrast, there is lesser fear in cultures having low power distance (Mead, 2003; Wei et al., 2017).

In their book, Hofstede et al. (2010) emphasised that when power distance corresponds to unequal power distribution in society and less influential individuals are expected to accept and follow the commandments of more powerful individuals; this becomes a determining factor for organisational performance. Therefore, it is argued in this study that the beneficial impact of skills, knowledge, and attitude on performance will be moderated if power distance is present within organisations. Therefore, the below-mentioned hypotheses have been proposed:

*H4: Power distance leads to weakening of the positive effect of knowledge on organisational performance in Kuwaiti employees working in the private gas and oil sector.*

*H5: Power distance leads to weakening of the positive effect of skills on organisational*

performance on Kuwaiti employees working in the private gas and oil sector.

H6: Power distance leads to weakening of the positive effect of attitude on organisational performance in Kuwaiti employees working in Kuwait's private oil and gas sector.

### 2.3. Organisational performance

Various studies in business and management research have examined organisational performance as a variable. Moreover, it has also been determined as a determinant of general organisational performance (Gavrea et al., 2011), which can be described as a measure of the prearranged and standard metrics of performance, environmental responsibilities, and efficiency, including productivity, cycle time, regulatory compliance and waste reduction (Muchira, 2013).

This component has been under study by management researchers. Scholars and business leaders can use it for the assessment of their business and for comparing it with its competitors (Richard et al., 2009). Consequently, organisational performance is considered an important element for

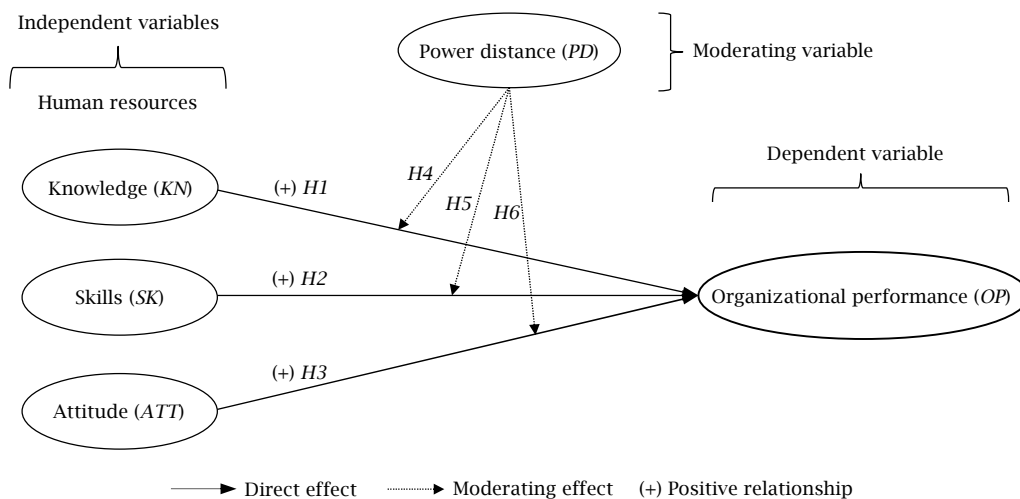
the evaluation of the activities and environment of organisations.

## 3. RESEARCH METHODOLOGY

### 3.1. Overview of the proposed research model

Wu et al. (2008) assert that human capital can support a firm's performance level. Chen et al. (2006) stress that human capital can influence positively the performance organisation. Using the resource dependence theory and the resource-based view, this study has developed the main relationship between knowledge (H1), skills (H2), attitude (H3), and organisational performance. Moreover, power distance is considered a moderator between the independent variables (IVs) on one side and the dependent variable (DV) on the other side (H4, H5, and H6). Relationships among the variables and the whole model are represented in Figure 3. The higher the knowledge, and how the attitude of the employees toward using these skills and knowledge will improve the organisational performance. Alternatively, the higher the power distance observed, the lower the relationship between the IVs and the DV.

Figure 3. The proposed model



### 3.2. Collection of data and development of instrument

For this study, a web-based questionnaire consisting of 63 questions was used. The evaluation of all parameters was done using a five-point Likert scale. This data was collected by emailing the research questionnaire to the selected sample of Kuwaiti employees belonging to the private gas and oil sector. From the 690 distributed questionnaires, 512 were returned, out of which 373 answers were deemed fit for use in the analysis. The response rate in this study is 78.7%, which is considerably good (Baruch & Holtom, 2008) when compared to other studies in the human capital literature. This sample size was adequately selected regarding the related literature (Krejcie & Morgan, 1970; Tabachnick & Fidell, 2012). In the tenure of two months, data collection took place through online mediums.

## 4. DATA ANALYSIS AND RESULTS

This study was based on the structural equation modeling-variance based (SEM-VB), with the partial least squares (PLS) technique to analyse the research model, with the help of the SmartPLS 3.0. Following the descriptive analysis, this study proceeds with the two-stage analytical technique (Anderson & Gerbing, 1988; Hair et al., 2016). This technique begins with the measurement model assessment (validity and reliability) and then moves towards the structural model assessment (that tests the hypothesised relationships). Hair et al. (2009) and Schumacker and Lomax (2004) have suggested that the two steps assessment method that includes a structural model and measurement model is more advantageous than the one-step assessment method. The measurement model (Hair et al., 2016) describes how every specific construct is measured. On

the other hand, the structural model describes how, in the structural model, the variables are linked to each other. For statistical analysis, the PLS was selected as it provides simultaneous analysis for both structural and measurement models, leading to higher accuracy in estimates (Barclay et al., 1995).

#### 4.1. Descriptive analysis

Table 1 illustrates the frequency, as well as the demographic percentage profile of respondents, present in this study's sample. The demographics are as follows: 48.5% of the sample is 30-39 years old, 37.8% of the sample or 141 respondents are 20-29 years old, 11.3% of the sample is 40-49 years old, 6.4% of the sample is more than 50 years old, and around 2.4% of the sample is more than 50 years old. As far as the experience of the respondents is concerned, 34.3% have 6-10 years of experience, 31.6% or 118 respondents have 11-15 years of experience, and 11.5% or 43 respondents have 16-20 years of experience. Lastly, 4.2% of the sample, or 19 respondents have experience of 5 years or less. With regards to education, 41.6% of respondents hold a diploma, 32.4% possess an undergraduate degree, 6.4% hold a postgraduate degree, and 19.6% of them possess a high school diploma. In addition, 33.8% of respondents shared that they have employees reporting to them, with them being supervisors or managers or at the level of the organisational hierarchy. On the other hand, 66.2% mentioned being a reporting authority for no other employee (see Table 1 for details).

**Table 1.** Summary of demographic profile of respondents

Categories	Frequency	Percentage
<i>Gender</i>		
Male	305	81.8
Female	68	18.2
<i>Age</i>		
20-29 years old	141	37.8
30-39 years old	181	48.5
40-49 years old	42	11.3
> 50 years old	9	2.4
<i>Experience</i>		
< 5 years	70	18.8
6-10 years	128	34.3
11-15 years	118	31.6
16-20 years	43	11.5
> 20 years	14	3.8
<i>Education background</i>		
Primary school	0	0
High school	73	19.6
Diploma	155	41.6
Undergraduate degree	121	32.4
Postgraduate degree	24	6.4
<i>Have people reporting to him/her</i>		
Yes	126	33.8
No	247	66.2
<b>Total</b>	<b>373</b>	<b>100</b>

#### 4.2. Measurement model assessment

This measurement model was evaluated was performed through a reliability and validity report that includes discriminant and convergent validity. To evaluate construct reliability, the current research tested distinct Cronbach's alpha coefficients to perform the reliability of different

core variables within the measurement model. These results demonstrate that all the individual Cronbach's alpha coefficients ranged from 0.822 to 0.957, which was greater than 0.7 (Kannan & Tan, 2005; Nunnally & Bernstein, 1994). Furthermore, the reason for testing construct reliability is that the resultant values for composite reliability (CR) range from 0.894 to 0.963, which is higher than 0.7 (Gefen et al., 2000; Kline, 2011). This figure shows that construct reliability is satisfied, as shown in Table 2. This is one of the reasons the resultant Cronbach's alpha and CR were without errors.

The research used factor loading for testing indicator reliability, while high loadings on a construct indicated that the related catalysts point towards having much in common, eventually captured by construct (Hair et al., 2016). Factor loadings that were greater than 0.50 were measured quite significantly (Hair et al., 2009). Further, the loadings for all items exceeded the recommended value of 0.5, which is demonstrated in Table 1. The remaining items were loaded within the model to complete different requirements.

To test the convergent validity (i.e., the extent to which the calculated measures correlate positively with alternate calculations of the same construct), this particular study capitalised on the average variance extracted (AVE) values, which are higher than the recommended value of 0.50 (Hair et al., 2009), ranging from 0.723 to 0.833. The convergent validity on different constructs has shown to be adequately fulfilled, having the right convergent validity as demonstrated in Table 2.

**Table 2.** Mean, standard deviation, Cronbach's alpha, CR, and AVE

Constructs	M	SD	$\alpha$ (> 0.7)	CR (> 0.7)	AVE (> 0.5)
KN	4.580	0.534	0.90	0.92	0.67
SK	4.5250	0.531	0.93	0.94	0.70
ATT	4.430	0.717	0.86	0.90	0.65
PD	1.480	0.77	0.91	0.94	0.85
OP	4.100	0.70	0.97	0.97	0.55

Note: M – Mean, SD – Standard deviation,  $\alpha$  – Cronbach's alpha, KN – Knowledge, SK – Skills, ATT – Attitude, PD – Power distance, OP – Organizational performance.

Henseler et al. (2015) showed some criticism of the Fornell-Larcker criterion, showing that it does not show the absence of discriminant validity required for conducting research. The study also incorporates alternative techniques known as the heterotrait-monotrait ratio (HTMT). The study also showed the discriminant validity through HTMT, showing that its value was greater than HTMT's default value of 0.9 (Gold et al., 2001), or 0.85, HTMT's other value. The value was 4, which is lower than 0.85, the recommended value, demonstrating the discriminant value was ascertained.

**Table 3.** Results of discriminant validity by Fornell-Larcker criterion

Factors	KN	SK	ATT	PD	OP
KN					
SK	0.64				
ATT	0.53	0.53			
PD	-0.22	-0.21	-0.17		
OP	0.36	0.37	0.34	-0.38	

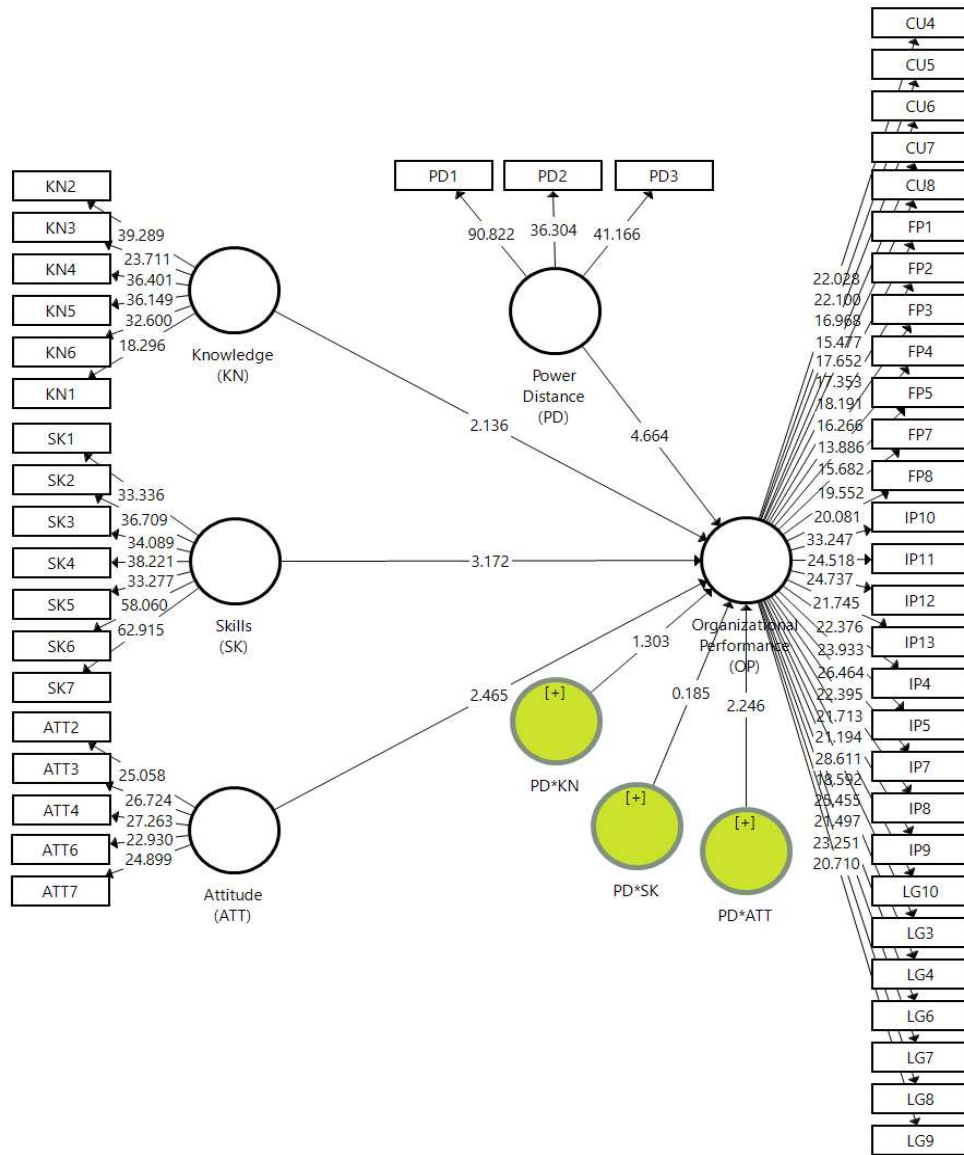
Note: Diagonals represent the square root of the average variance extracted while the other entries represent the correlations.

### 4.3. Structural model assessment

Another study conducted by (Hair et al., 2016) showed that evaluating the structure model by

observing the beta ( $\beta$ ),  $R^2$ , along with the corresponding t-values via a bootstrapping procedure with another sample of 5,000. Furthermore, the values also recommend reporting with predictive relevance ( $Q^2$ ).

Figure 4. PLS bootstrapping results



#### 4.3.1. Direct effect hypotheses

The SEM demonstrated in Figure 2 and Table 5, shows the results of the hypothesis tests. The main contributors were skills, knowledge, and attitude which influenced the overall organisational performance. This study used  $H1$ ,  $H2$ , as well as  $H3$ , which were accepted with  $\beta = 0.101$ ,  $t = 2$ ,  $p < 0.05$ ;  $\beta = 0.147$ ,  $t = 3.172$ ,  $p < 0.05$ , and  $\beta = 0.187$ ,  $t = 2.465$ ,  $p < 0.05$  respectively. Therefore,  $H1$ ,  $H2$ , and  $H3$  are accepted, which shows that skills, knowledge, and attitude are significant indicators of organisational performance.

The standardised path coefficient showed the strengths of the relationship between endogenous and exogenous constructs, which directly affects skills on organisational performance, which further

indicates that attitude and knowledge are more responsible for organisational performance.

Knowledge, skills, and attitude explain 31% of the variance in organisational performance. Moreover, the  $R^2$  values demonstrated a tolerable level of explanatory power, which was also recommended by Chin (1998) and Cohen (1988), pointing toward a substantial and moderate model.

Furthermore, with the help of the blindfolding procedure, this study analysed the power of the research-proposed model used for predictive relevance. Another study by (Hair et al., 2016) recommended that the blindfolding procedure should be used only on the endogenous constructs within the reflective measurement. Also, if the value of  $Q^2$  is more than 0, the predictive relevance exists for a particular endogenous construct (Fornell & Cha, 1994; Hair et al., 2016). Below shown, Table 4

suggests that the  $Q^2$ 's values higher than 0 demonstrate that there is another predictive relevance of the studied model. Therefore,

the values of  $Q^2$  in this study, according to Hair et al. (2016), have medium predictive relevance.

**Table 4.** Direct effect hypotheses

Hypothesis	Relationship	Std. $\beta$	Std. error	t-value	p-value	Decision	$R^2$	$Q^2$
H1	KN $\rightarrow$ OP	0.101	0.047	2.136	0.033	Supported		
H2	SK $\rightarrow$ OP	0.187	0.052	3.172	0.014	Supported		
H3	ATT $\rightarrow$ OP	0.147	0.036	2.465	0.002	Supported	0.31	0.16

#### 4.3.2. Moderating effect hypotheses

This study showcases the relationship fostered between attitude, skills, knowledge, and organisational performances due to power distance. In Table 7, three sub-hypotheses were tested along with the main hypothesis called:

1) testing the predictor's impact on the outcome;

2) testing the predictor's causal impact on the outcome;

3) testing of interaction of 1) and 2) on the outcome, i.e., predictor \* moderating (Field, 2013).

The results in Table 7 show that power distance moderates (dampens) the role of attitude upon the performance of an organisation, showing that H4 and H5 were not supported.

**Table 7.** Result of moderating effects hypotheses

Hypothesis	Relationship	Std. $\beta$	Std. error	t-value	p-value	Decision
H4	H4a: KN $\rightarrow$ OP	0.101	0.047	2.136	0.036	Supported
	H4b: PD $\rightarrow$ OP	-0.290	0.062	4.664	0.000	Supported
	H4c: PD * KN $\rightarrow$ OP	0.133	0.101	1.303	0.193	Not supported
H5	H5a: SK $\rightarrow$ OP	0.187	0.052	3.172	0.014	Supported
	H5b: PD $\rightarrow$ OP	-0.290	0.062	4.664	0.000	Supported
	H5c: PD * SK $\rightarrow$ OP	-0.019	0.101	0.185	0.853	Not supported
H6	H6a: ATT $\rightarrow$ OP	0.147	0.036	2.465	0.002	Supported
	H6b: PD $\rightarrow$ OP	-0.290	0.062	4.664	0.000	Supported
	H6c: PD * ATT $\rightarrow$ OP	-0.227	0.101	2.246	0.025	Supported

## 5. DISCUSSION AND IMPLICATIONS

This research's general objective revolved around studying the influence of knowledge, attitudes, and skills on organisational development and performance. The study also tested the moderating role of power distances among Kuwaiti employees working in the country's gas and oil industry. It has been done by considering and testing six hypotheses.

The result showed that three direct effect hypotheses, skills, knowledge, and attitude, have positively impacted organisational performance. These tests were extracted from past studies that showcased a direct relationship between organizational performance (Aledo Ruiz et al., 2017; Brixiová et al., 2020; Guillaumont et al., 2017; Kessler & Lülfsmann, 2006; Khan & Quaddus, 2018; Kianto et al., 2017; Samagaio & Rodrigues, 2016; Sun et al., 2020). H1 was supported with  $\beta = 0.101$ ,  $t = 2.136$ ,  $p < 0.05$ , which suggests a major impact of knowledge on organisational performance. The results indicate that human capital in terms of employees' knowledge which is one of the intangible resources is influencing the organisational performance of the private oil and gas sector in Kuwait. Moreover, H2 was supported with  $\beta = 0.147$ ,  $t = 3.172$ ,  $p < 0.05$ . These parameters suggest a significant influence of skills on organisational performance. These results also show that employees' skills majorly impact the performance of the organisations within the country's private oil and gas (O&G) sector. Former studies confirmed similar results in different sectors and contexts. The results also show an insight into the private sector, especially in Kuwait's oil and gas sector based on employee skills regarding different methods. Further, H3 was supported with  $\beta = 0.1470$ ,  $t = 2.394$ ,  $p < 0.01$

indicating substantial effects of attitude on the performance of organisations. These results also suggest that human capital, as per employees' attitudes, makes it a crucial intangible resource, including the organisational performance of the private O&G sector. This result also shows the performance of the management of these organisations who leverage the employees' attitudes and improve the overall employee screening process with the help of correct values and attitudes. These elements have been considered important factors to help motivate other employees within these organisations. Further, the studies also show that the right attitudes, and regular reactions to behaviours, among others, improve productivity. These steps will further ensure that organisations use the employees' higher positive attitude to improve organisational performance. This helped in reaching the third objective.

Secondly, the moderation effect of power distance proposed three more hypotheses that power distance is an important catalyst in maintaining the relationship between knowledge, skills, and attitude on one end and organisational performance on the other end. Note that H4 and H5 did not support the power distance phenomenon and the moderation of the link between knowledge, skills, and organisational performance. One of the reasons behind the results is that the employee's skills and knowledge will still make the organisation's performance better, only if the employees have the skills and the knowledge to help in improving organisational performance. However, this result is against prior studies in different contexts and settings (Cheong et al., 2016; To et al., 2020). In another context, H6 was supported since it revealed that power distance



weakens organisational performance and attitude among Kuwaiti employees working in the country's gas and oil companies. In other words, more employees have power, and power is distributed equally in these organisations. In hindsight, the higher the attitude of these employees, the better their performance (Heyden et al., 2012). Also, it should be noted that since the management is executing decision-making steps without working in tandem with the subordinates, using power when they deal with subordinates, not asking employees for their opinions, and keeping crucial assignments separate from different employees (Talke et al., 2010), their attitude will be negatively impacted, leading to an adverse impact on organisational performance. Ultimately, *H1*, *H2*, *H3*, and *H6* were supported, while *H4* and *H5* were not supported.

This research also demonstrated several benefits for Kuwait's gas and oil sector, where human capital was considered a trigger for different kinds of performance. Other recommendations have also been unravelled from the current research. So, to promote knowledge from employees, this sector should retain the better performance of the organisations. Further, private gas and oil companies must get such workers on board who possess educational qualifications, strong technical (hard) skills, and the capabilities to craft and generate new ideas. The private O&G industry also needs to do its best to embed a positive attitude in the employees, which will impact the overall organisational performance. Lastly, the O&G sector should encourage all performance types since they are mutually dependent and should be produced concurrently. Therefore, the company's management can make the most out of the considerable improvements in administrative and infrastructure mechanisms to deliver present and future services. Further, power distance is crucial for the employees in this sector to improve their attitude.

## 6. CONCLUSION

The study's main aim was to analyse the impact of skills, knowledge, and attitudes on organisational performance. It also tests the power distance's moderating role within Kuwait's private oil and gas sector. One thing to note is that Kuwait's petroleum sector is one of the celebrated industrial sectors in the company, owing to 50% of the country's GDP. It's also worth pointing out that Kuwait's production books for 9% of the total oil produced around

the world (CNNMoney, 2016). This indicates that the organisational performance of this industry is essential to keep the country's economic condition stable.

The study also extended the knowledge of organisational performance and human capital factors within the country. It examined the intangible resources' effect and valuables on the performance of these organisations. The study was performed by keeping the academic and commercial sectors in mind. The study's main contribution is to perform a comprehensive analysis of organisational performance and human capital based on empirical data. The study also adds an understanding of the significance of the power distance's role in Kuwait's private organisations, especially the gas and oil sector.

Another point to note is that this sector retains workers and recruits' individuals with high qualifications and better skill sets. These professionals are expected to think outside the box and generate new ideas. The O&G sector should do its best to maintain a strong attitude towards the employees. If they are positive and productive in what they do, that can be articulated back to the company's performance. This sector must always attempt to maintain a positive attitude toward its employees so that it can be articulated in the company's performance. Lastly, the management should also emphasise different kinds of performance since they are mutually dependent on each other. Further, power distance should be analysed amongst the employees belonging to this sector to improve employees' attitudes. The results shown have been promising, despite the restrictions and limitations of the study.

There are some limitations to these studies as well. For starters, it has only verified the research model from Kuwait's private O&G companies, while other researchers devised models in other public and private sectors in Kuwait and neighbouring Arab countries. Hofstede et al. (2010) discussed that this country is one of the countries that have a high-power distance, while the individuals embrace the hierarchical levels and centralisation. Further, skills are crucial for better employee performance, where future researchers can expand the suggested model by incorporating the role of leadership. Other work might include analysing the moderating function of different factors, like demographic variables, work autonomy, or job experience, which may improve the predictive power of this conceptual model.

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