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**Article info:**  
Received 05.06.2020  
Accepted 15.10.2020

UDC – 005.32  
DOI – 10.24874/IJQR15.01-01



## THE RELATIONSHIP BETWEEN PSYCHOLOGICAL CONTRACT, COMMITMENT, QUALITY OF WORK LIFE AND TURNOVER INTENTION IN OIL AND GAS COMPANIES IN UAE: MODERATING ROLE OF APPRECIATIVE LEADERSHIP

**Abstract:** *This study aims to examine the relationship between psychological contract, appreciative leadership, commitment, quality of work-life, and turnover intention in oil and gas companies in UAE. Meanwhile, this study aims to investigate the moderating effect of appreciative leadership on the relationship between psychological contract and turnover intention, between commitment and turnover intention, and between the quality of work-life and turnover intention. The employees of the oil and gas companies in UAE are the respondents, and data was gathered by questionnaires and evaluated by PLS-SEM. The findings show that psychological, commitment, quality of work-life and appreciative have positive nexus with the turnover intentions while appreciative has moderated among the nexus of commitment and turnover intentions, quality of work-life and turnover intentions, on the other hand, appreciative has not moderated among the nexus of psychological and turnover intentions. This study is useful evidence for the firms working in the Oil and Gas sector of UAE to overcome the issue of high turnover intention due to the direct effect from exogenous variables.*

**Keywords:** *Psychological Contract; Commitment; Quality of Work Life; Appreciative Leadership; Turnover Intentions; Oil and Gas sector of UAE.*

### 1. Introduction

Employees are primary resources of any organization. They work hard and help companies to increase sales and profits. For that reason, as stated by Stocker, Jacobshagen, Krings, Pfister, and Semmer (2014), firms are required to take care of their employees and provide as many benefits as they can to them. If all kind of

employee benefits are provided to staffs like leave benefits, attendance incentives,

health, and safety benefits, they can focus on working atmosphere. Employees are not machines and firms need to understand that in order to continue gaining profits and generating revenues (Apostel, Syrek, & Antoni, 2018)

Moreover, managers or leaders are also required to be committed to working in oil and gas companies of UAE and they need to

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motivate employees so that they can work hard in order to meet needs of companies. According to Elloy (2005), in order to work longer in any organization, level of commitment must be high otherwise; it will lead to job dissatisfaction. UAE government has set rules to provide best possible benefits to employees in order to help them work passionately and concentrated in working atmosphere. However, quality of work life varies from one organization to another in all companies in the UAE.

According to (Heffernan & Rochford, 2017) quality of work life is referred to as unfavorable or favorable to any working atmosphere for people who work there. Organizations that provide focus on Quality of Work life understand necessities of providing positive working environment to people. As opined by Noor and Abdullah (2012), when employees get quality work life then they start preferring their current organizations and start working hard to meet expectations of employers. In case of UAE, oil and gas companies are motivated to provide best work life to employees and managers by using technological advancements in high scale. In spite of these efforts, employee turnover is getting increasingly higher in the country. Turnover intention of employees can be due to different positive and negative factors of business companies in their business development process. Often, benefits given to employees are not enough to retain them and they change their job for better advantages. This depends on the psychological and physiological needs of individuals as well (Einstein, Addams, & Roosevelt, 2016). Additionally, such attributes like psychological contract, appreciative leadership, workers' commitment, quality of work life are focused in this study.

According to Rousseau (2001), psychological contract is referred to all expectations that any company or employer has from any employee and vice versa. After

recruitment and selection process, rather than responsibilities written on formal contract, there are several things which employers expect from employees and managers. For instance, employees need to work hard to meet expectations of organizations so that they can receive better job benefits and advantages. This is often coded as a psychological contract or understanding between the employer and the employees. Accordingly, to satisfy this contract, the organizations too are required to meet expectations of employees; otherwise employee turnover rate will increase.

Appreciative leadership is denoted as that leadership which not only confirms that job is done but also releases positive power and help employees to stay optimistic in work. According to Anderson (2005), appreciative leaders observe others well, and then they allocate work based on their skills. They understand each people is unique in their ways and let them do what they do best, is most suitable way to get job done and make them happy as well. In any organization, this is extremely important to have appreciative leaders and oil and gas companies of UAE are no exception. There are several advantages of this leadership which includes bringing best out of employees, identify creative side of them and enhancing their ability. Employees stay happy due to these leaders and they can provide more focus at work due to them.

Employee commitment is reflected when employees understand their working atmosphere and that they must stay committed to their respective organizations. As stated by (Lim, Loo, & Lee, 2017), employee loyalty emanates from employee commitment. It is the only thing that helps to maintain good relationship between employer and employees. After selection process, firms are required to provide several benefits and advantages to employees so that they can get enough reasons to remain committed to their organizations. This has

seen that commitment from organizations can help workers to increase their commitment for their performances and development of business.

The economy of United Arab Emirates holds second position in the Arab world. Moreover, their economy is reliant on oil and gas industry. This oil and gas industry of UAE plays a central role as 80% economy of this nation depends on petroleum products. The GDP of UAE in 2018 was 432.61 billion U.S dollar. This increased to 455.59 billion U.S dollar and a forecast has done for 2020 for the GDP growth of the UAE economy which is 475.1 billion U.S dollar. However, Abu Dhabi is in leading position which has 94% of reserve oil among overall market of UAE. There reserved oil in 2017 was more than 90 billion barrels in relation to both inshore and offshore manner. In this manner, there is different gas and oil companies developing their business to improve economy of UAE in positive way. Some companies are ADNOC, ASCOP, IPIC, ENOC and many others which are leading in market of UAE and developing their nation's economy in relevant manner.

This study has focused on oil and gas companies in UAE and their employees in relation to their turnover intention. It is good to point out that the oil and gas industry is usually running in three sectors, upstream, downstream and midstream. ADNOC has 13 companies having the same name working and managing these sectors and any other oil and gas companies working in UAE must be regulated under ADNOC itself. Oil and gas companies in UAE have earned the reputation of an employee friendly organization in the world because the higher authorities are always in zest to provide best possible advantages to their workers. Oil and gas companies are a performance driven firms, which prefers to invest in people and in developing a rewarding work atmosphere. Employees of this company have rights to discover themselves during working here so that they can better concentrate on job.

These companies understand employees are full of capabilities and for that reason they promote appreciative leadership among managers. Being an oil company, it is obvious that there is risk in work but oil and gas companies provides health and safety to all of its employees. Quality of work life is also appreciable of this company and this is primary reason behind, huge amount of employee satisfaction. Therefore, turnover rate is also low since the company provides high benefits and advantages to employees. According to (Lu, Sun, & Du, 2016), this is obvious that people may not always like all individuals surrounded by them but they learn to manage. Managers or leaders have to deal with several types of employees and they need to manage them well in order to complete work within deadline.

### **1.1. Problem related to Psychological Contract**

As stated by (Nichols, Swanberg, & Bright, 2016), different organizations expect several things from employees and managers, which sometimes are not written formally on joining documents and vice versa. Employees have ideas about what they are required to do after joining any oil and Gas Company and that is also provided to them during selection process. However, employees need time to learn new things and fulfill all duties and tasks which are allocated to them. After that, only if they have time, they can work for more. As oil and gas companies of UAE are extremely busy, thus employees also do not get extra time to work extra several times.

### ***Problem related to appreciative leadership***

Appreciative leaders are extremely important for any organization as they understand abilities of employees and let them do what they do best. However, as stated by Han, Bonn & Cho (2016), this kind of leaders are becoming isolated as right now only commanding and demanding leaders are

there. Leaders must possess all skills of appreciative leaders so that they can show empathy towards employees, let them do job based on their capabilities and skills. However, in general most leaders are extremely demanding and they have started becoming managers more than leaders. In order to put an end to this, all oil and gas companies of UAE, are required to promote necessities of appreciative leadership and they are also needed to train managers based on that.

Leaders must understand and value employees and let them do in which they are capable of most. In this way, companies will be able to reduce employee turnover in high scale as well. When leaders value employees and show empathy to them, employees as well as work hard to finish tasks which are allocated to them. In this way, a strong bonding can be developed among all employees and managers in oil and gas companies of the UAE.

#### ***Problem related to commitment***

In 21st century, vast amount of opportunities are there surrounded by employees and managers. According to Carasco-Saul, Kim, and Kim (2015), when employees find out that some other companies are providing better salary to employees of same posts then they switch their jobs. As mentioned above, percentage of employee turnover is quite high which 56% in case of UAE. From this, it can be seen that commitment is a big issue for employees and managers in oil and gas companies in this country. Moreover, different organizations often recruit employees who are not from UAE and from different other countries. This is another reason behind losing trust and loyalty among employees who are from the Arab Emirates.

They have started thinking that, oil and gas companies have more faith in citizens of other countries rather than own. This is another big issue and for that reason, employee commitment is at stake.

Organizations are required to provide several different benefits to employees and managers so that they can work passionately inside working atmosphere. Commitment can be earned by organizations from employees but it cannot be forcefully gained.

#### ***Problem related to Quality of Work Life***

Different oil and Gas Company is required to provide quality work life to employees and managers so that even after spending hours at work they can have time for their family and friends. According to Rousseau (2001), in some companies, employers or higher authorities provide excessive pressure on employees and do not think about their own lifestyles. They do not get time to update their own knowledge and skills which in turn is not suitable for companies as well. Quality of work life implies that employees even after working hard have time to get training in some topic or field so that they can update their knowledge.

Moreover, it is also referred to positive working environment where employees can develop good relationship with others and work together in several tasks. When all these advantages are provided to employees they can better work together on necessary job and get it done. This also reduces employee turnover in huge scale if followed and implemented properly. Besides, the study has also encompassed in its scope the mediating role of appreciative, turnover intention also gets affected with the mediating relationship between these factors and the turnover intention of employees (Nichols et al., 2016). In accordance with (Heffernan & Rochford, 2017), employees' turnover intention can be different in different companies in relation to their work pressures and leadership styles. Moreover, factors related to workers such as their commitment to their organizational work and their intelligence are also related to employees' turnover behavior as well. In this context, research will focus on oil and gas companies of United Arab Emirates.

Hence, for being more specific in terms of sampling and population, the study focused on the employees' turnover intention of oil and gas companies, one of the largest oil and gas companies of UAE. The researcher shall study the behavior of the oil and gas companies employees in the context of independent, dependent and mediating variables. ADNOC Company itself has 13 subsidiaries companies and all of them are owned by the state of UAE and this company can be considered as one of largest oil reserves, which have rank 7 in overall global market. In relation to this, for maintaining overall work of UAE's oil and gas sector there are more than 55000 employees. The company's headquarters is located in Abu Dhabi and they have reserved 97.8 billion barrels of oil for their business development. This company is known as leading company of UAE and they are doing their business with oil products, crude oil, petrochemicals, and natural gas, covering all the oil and gas practices in upstream, midstream and downstream.

## 2. Literature Review

Aspects like psychological contract can also affect minds of employees particularly when business organizations adopt ethical and formal processes in their relationships with employees. Problems regarding this matter can increase the rate of job turnover for workers and workers can change their workplaces by focusing on benefits from other employers. Employers need to make positive psychological contract to satisfy their employees and also to increase their retention. Employers' commitment is also necessary for any successful business. Business organizations in the oil and gas industry are working with risky situation and job environment matters a lot for workers to maintain their working situation in a more positive way. So these factors play a major role in maintaining a harmonious relationship between the employer and the

employees. Shore and Wayne (1993), therefore, assert to monitor employees' intention for leaving very closely. In relation to this, various theories can be applied to understand what, how and why of these factors. This study has identified a few theories including Herzberg two factor theory, Maslow's hierarchy of needs, social exchange theory, and expectancy theory to describe the variables of this study and the issues related to them.

### 2.1. Psychological Contract

Psychological contract is referred to set of those expectations that any employer or employees have from organizations. During recruitment and selection process, employers hand over set of responsibilities that selected employees have to perform during their working hours. However, other than those, several other duties or responsibilities are there which management expects from every employee. On the other hand, as argued by Guzzo, Noonan, and Elron (1994), along with formal contract, several psychological contracts exist between employers and employees. Higher rate of psychological contracts define higher skilled and knowledgeable employees.

Employees also expect that if they perform well, they will get better benefits from organizations which are not written on formal documents. Psychological contract was actually developed by Denise Rousseau who was a scholar and highlighted fact that when two people have great professional relationship then they both expect better outcomes from each other. Psychological Contract is not written in formal manner and for that reason, based on communication and relationship between employers and employees, it is always developing. According to (Li, 2015), during recruitment process, employers check skills, abilities and experiences of every employee. Based on those, they expect certain duties, roles and responsibilities from employees. In case of oil and gas companies of UAE, when any

employee shows having knowledge in power engineering then employer expects that that person will be able to work efficiently in industrial equipment and upgrading operations. However, if that employee fulfills and meets expectation, then employer further expects that employee will be able to work as second or first class power engineers. However, on the other hand, as argued by (Osabiya, 2015), employees rather than set of formal benefits and advantages, expect several other things from organizations. Any employee, who works hard to meet goals and objectives of firm, expects manager or higher authority to provide better benefits which are not specified in formal contract.

Several times, organization is able to meet expectations of employees where different other times, they are not been able to do so. Due to this reason, employees feel that they are not getting what they deserve and they start feeling monotonous and frustrated at workplace. Thus, when employees find out they are not getting the recognition they deserve, they switch companies and for that reason, employee turnover rate is high in UAE. Oil and gas companies, several times fail to meet not expectations of employees but also what they promised to give. Thus, employees when realized they have better skills and experiences, they simply switch firms.

In order to put an end to this employee turnover rate, it is required for organizations to provide best possible services to employees as they are primary resources of any firm. Several past researchers have performed researches based on psychological contract and in which ways it influences employee turnover. There are several ways to find it out like going through reviews of other employees work in specific organization which are posted on different online sites like Glassdoor. As contradicted by (Najjar & Fares, 2017), if candidates find out that any oil and Gas Company provides huge amount of benefits to employees, then

their expectations on that company increase in high scale.

Thus, it can be stated that, employers are not able to meet expectations of employees in oil and gas companies of UAE. On the other hand, as argued by (Viksne, Bormane, & Feng, 2017), communication is a core element of psychological contract. When any employee stays in organization for several months or years and bond well with higher authority then that person expects that with better performance company will provide better benefits. Moreover, as argued by (Yahya et al., 2018), employers or managers based on candidate profile expect several appreciable outcomes from employees.

If by any cause, they do not able to provide that much good performance, then employers start providing poor benefits to them. Thus, communicating with employees and confess them about expectations is necessary in several different organizations. However, when employees realize that even after having potential and providing high amount of effort to oil and gas companies of UAE, they are not receiving recognition they either resign or switch organizations. For that reason, providing focus to psychological contract is extremely important as it will help both employers and employees to gain what they desire.

According to (Purvis, Zagenczyk, & McCray, 2015), there are several different ways which help employees of any company to measure if psychological contract has been maintained or not by firms. Those ways are increment of pay scale, promotional advantages, training benefits, feedback and varieties of work. Employers of oil and gas companies are required to provide promised increment in pay scale as well as some extra benefits in order to keep employees connected to work. Different types of tasks must be allocated to employees and managers, so that they can gain knowledge in different field and does not face monotony.

As contradicted by (Barba-Sánchez & Atienza-Sahuquillo, 2017), adequate training must be provided to employees by higher management or leaders, as promised in formal contract and sometimes it is required to provide some extra training so that employees' knowledge stay updated. Thus, psychological contract is an extremely important part in case of organization to maintain good professional relationship between employers and employees, and maintaining expectations will reduce employee turnover rate as well.

## 2.2. Commitment

Commitment is defined as that dedication any person has towards any activity. According to (Blotnicky, Mann, & Joy, 2015), when any person is committed to anything, then it is expected that he or she will perform everything by rules. Commitment in other words, restricts independent working process as committed employees of any organization are required to perform only what they are told to do. However, as argued by (Lloyd, Boer, & Voelpel, 2017), making commitment implies dedicating oneself to perform something willingly. This is required to think well before committing as after making commitment there is no option of back off. Commitment can be between anyone like two people in love are committed to each other or employees working in any firm are committed to perform well. In any organization, it is expected that both employees and employers must be committed to firm in order to bring success. Employees have to perform set of duties and responsibilities, as it is expected from them to be committed to organization.

Employees must believe in goals and have urge to achieve that in proper manner, which shows commitment of employees towards those goals. On the other hand, as contradicted by (Eschleman, Bowling, & Judge, 2015), employees are required to be

committed to organization and they must be loyal employees. During any working atmosphere, goal or priority of any company may change based on demands of customers in market. Thus, employees must be committed to firms so that under any circumstance they can be ready to provide best possible services to companies. Moreover, , as opposed by (Yahya et al., 2018), when any employee is extremely committed to any organization, then that person expects extra benefits from employers or management.

During recruitment and selection process, employers say several different words about their commitment for enhancing situation of employees. However, if by any cause, or sometimes without any cause, if employers fail to provide extra benefits, high incentives or promised pay to employees, then employee dissatisfaction takes place. As contradicted by (Barba-Sánchez & Atienza-Sahuquillo, 2017), organization expects employees to be committed to them but they often forget that commitment cannot be done from one side. They are also required to be committed to provide better benefits to employees who will help in attracting staffs in high scale. Oil and gas companies of UAE take several steps to provide better benefits to employees and are committed to them.

However, several times, these organizations, due to huge pressure, forget about employees and keep pressuring them for completing several tasks. These are reasons behind employee turnover and it can be easily reduced by adopting appreciative leadership technique among managers and higher authority. Different researchers have done researches based on commitment and its connection with employee turnover. According to (Velmurugan & Sankar, 2017), employees are core assets of any organization, and it is required to provide them as much opportunities as possible so that they can grow and develop loyalty on firms. Organizations put pressure on employees but forget that they are also

human beings and require motivation to work. Inspiration can be provided to employees by several options like higher pay scale, high benefits, incentives, promotional advantages. Managers of any company are required to be committed to growth of employees inside organization. They are ones who have experience and they will be able to guide employees to earn what they deserve. However, in case of UAE, only few amounts of employees are actually committed to work. 26% employees love their work and they are committed to that while 60% of employees are not committed at all.

Primary reason behind that is oil and gas companies of UAE are less committed in making lives of employees good and developed. As argued by (Neubauer & Martskvishvili, 2018), employees incorporate creativity, time and effort as they are committed to particular job, organization or goal. However, even after that when they do not receive much appreciation or recognition from employers or management or organization, and then they start feeling de-motivated. As a result they resign or join other companies where they believe to achieve different advanced benefits. As argued by (Viksne et al., 2017), leaders or managers of any company are required to adopt several different options in order to make employees stay loyal and committed to firms. Leaders are required to clear company objectives and must provide rewards when employees fulfill that.

On the other hand, as argued by (Yahya et al., 2018), employees are required to gain extra energy from work otherwise they may not be able to come back next day. Leaders can provide them that by allocating challenging tasks to employees, developing comfortable and rewarding working atmosphere and providing training on various fields. This will help employees gaining knowledge and rewards which in turn will help in motivating and developing better commitment with organizations.

Employees can stay committed with organizations until managers or higher authority allows them to do so. Commitment is two-sided method which requires both employers and employees to be engaged so that oil and gas companies of UAE can achieve success.

### 2.3. Quality of Work Life

Quality of work life is defined as a concept which states that organizations must focus on employee as individual rather than any performance or job done by that person. According to (Holman & Axtell, 2016), Quality of work life determines method by which different firms can develop and provide positive working atmosphere to employees for ensuring their wellbeing. This particular aspect highlights fact that, every individual requires to balance both personal and professional lives in suitable manner. On the other hand, as contradicted by (Park, 2017), work life balance must be good so that employees can focus on work and help organizations to achieve success. In order to motivate employees to work well and without shifting focus to any other direction, different firms are required to provide quality of work life to employees. They are also required to manage time well so that they can complete tasks in time and save moments with families.

This will help organizations to gain better skilled and knowledgeable employees and this can be properly done with help of leaders or managers. This can be stated that Quality of work life is basically acts as roof under which employees can stay satisfied and they can work wholeheartedly. However, cooperation of management is needed so that employees can provide better productivity in positive work environment. Different researchers have different views about quality of work life and its connection with employee turnover. In accordance to (Andrei, Siegling, Aloe, Baldaro, & Petrides, 2016), different organizations have different other ways of providing good quality work

life to employees. However, most important option that can be adopted by managers or higher authorities of different organizations is providing job security. When employees understand that their jobs are secured, then they become extremely relaxed and provide full concentration to work. Job security provides confidence to employees and they will not be afraid of trying new concepts or changes as they are not afraid of losing jobs. On the other hand, different organizations must provide flexible work hours to employees so that after office employees can get time to spend with families. Both personal and professional commitments can be increased with help of good quality of work life. Moreover, as argued by (Holman & Axtell, 2016), every organization is required to increase percentage of employee participation in order to make them feel important in working atmosphere. If employees realize that they are getting chances of self-exploration via providing different ideas, concepts, and skills to organizations then they will be more connected with those firms.

However, in case of oil and gas companies of UAE, managers or higher authorities are required to communicate openly with employees so that they can better understand issues or problems staffs are facing. Moreover, on the other hand, as contradicted by Shore and Wayne (1993), when employees understand that there are chances of career growth, then automatically they feel satisfied and work hard to meet needs of organization. Different job roles and responsibilities are available in case of oil and gas companies of UAE like power engineer, electrical engineer, mechanical engineer.

There are further different types of tasks which can be performed by these people. For example, an electrical engineer can work as design engineer or systems engineer or field service technician as well. Thus, oil and gas companies of UAE are required to provide

different tasks to employees so that they can learn new things and enrich their knowledge. As argued by (Park, 2017), quality of work life provides several advantages to employees and employers as well like development of positive working atmosphere where employees can work with full focus. Productivity will increase and as a result effectiveness of organization will increase as well. Organizations are required to understand employees and their situations develop ideas to provide better support and good work life balance. Both managers and staffs together will be able to develop efficient work life teams who will work hard to meet needs of organizations by increasing productivity and reducing employee turnover.

#### **2.4. Appreciative Leadership**

Leadership is referring to as management techniques for every business companies to maintain and manage their work in positive way. Moreover, in accordance to (Neubauer & Martskvishvili, 2018), these factors can also be stated as mediating factor of business companies which can mediate the intention of turnover by employees. In this case, as opined by (Yahya et al., 2018), business companies and its leaders and managers need to maintain their role for their employees and team member in positive way which can motivate them to increase their performances. In this case, appreciative leadership style can be taken by business leaders to appreciate their workers in different manner. This is motivating and mediating factor and this positively helps in retaining employees in business.

Leadership is an objective for firm and this is not related to direction only. This has seen that leading any business needs different skills, strategies, and abilities in relation to persistence and practice. As argued by (Alshmemri, Shahwan-Akl, & Maude, 2017), leaders of companies need to possess honesty, trustworthiness, and integrity by

which they can collaborate with their members of team effectively. As the oil and gas industry is a leading sector for UAE market that's why this has high demand for labor. Moreover, companies are competing with each other in a huge manner and most of them face challenges retain their workers. In this case, leaders of the oil and gas industry need to be appreciative for their employees which can change their workplace leaving intention.

## 2.5. Turnover intention

Business companies of UAE can face financial challenges for their business with high employee turnover rate. Higher number of employee turnover can increase the cost of business companies in which they need to hire new employees and provide them training for increasing their skills. Overall estimation of UAE market for their companies is showing that they are spending approximately 9.9 billion AED for hiring new candidates and providing training to them. This affects negatively on business companies as this increase their financial cost. On the other hand, this has seen that high turnover rate of companies has some positive effect also. This can bring new skilled employees to business and many people in this manner can provide various ideas for business development process. As stated by (Cropanzano, Anthony, Daniels, & Hall, 2017), this can be considered as useful process for business by which they get new design for running business.

However, oil and gas industry of UAE does not has the highest number of employee turnover rate. There are three other industries such as technology, professional services, and telecommunication which are topmost sector in relation to rate of employee turnover. Technological sector has 12.3%, professional services have 11.1% and telecommunication sector has 9.65% of employee turnover rate in the market of United Arab Emirates. However, in the context of unemployment rate of employees

in UAE, this number has increased by approximately 2.46% in 2017. This number was 1.64% in 2016. There are more than 9.40 million people lives and monthly earning of United Arab Emirate was 1977.44 in the month of December in 2016. This has known that oil and gas sector of UAE requires a huge labor force for maintaining work pressure as this industry leading in the market of UAE. In this case, the rate of participation of labor force of UAE has dropped in 2018 to 79.15% and this can affect the companies of oil and gas sector in relevant manner.

Business companies can use different theories which can motivate employees of business companies in positive way. In this context, Herzberg's theory of motivation, hierarchy of needs of people, expectancy theory, and social exchange theory can be applied by business organization by which their employees can get motivation in their work process. As opined by (Blotnicky et al., 2015), these theories can change the intention of leaving any workplace of business companies by providing motivation to their workers. Employees of companies can feel important for their company by which they can get high satisfaction level from their work. Furthermore, as explained by (Barba-Sánchez & Atienza-Sahuquillo, 2017), different styles of leadership and commitment from the organizational aspects can be effective for this matter also.

## 2.6. Research hypotheses

Research hypotheses enhance research process in a systematic way by which a proper relationship between independent and dependent variables can be proved in the research. The hypotheses for this research paper are as follows:

- Hypothesis 1: The psychological contract construct has a positive relationship to turnover intention

- Hypothesis 2: The appreciative leadership construct has a positive relationship to turnover intention
- Hypothesis 3: The commitment construct has a positive relationship to turnover intention
- Hypothesis 4: The quality of life construct has a positive relationship to turnover intention
- Hypothesis 5: Appreciative Leadership moderates the relationship between Psychological Contract, and Turnover Intention
- Hypothesis 6: Appreciative Leadership moderates the relationship between Commitment and Turnover Intention
- Hypothesis 7: Appreciative Leadership moderates the relationship between Quality of Work Life and Turnover Intention.

performances in positive way, descriptive research design is the ideal type of design to associate all variables of this study. The data analysis process with quantitative method will also be enhanced by implementing this descriptive design method. In case of this particular research, employees of oil and gas companies are selected as population, which is a most popular and one of the largest oil companies in world. Nearly 55,000 employees work there in this firm and as research topic is related with employee turnover intention it was ideally suited for population. In case of this research, as both employees and managers are parts of population, thus, it is required to adopt probability sampling. Probability sampling will be used to collect data from respondents. Here, probability sampling is used to collect data from employees. There are total 55,000 employees who work in oil and gas industry in UAE and thus, in order to properly collect data and information from them 382 employees are selected. According to Krejcie & Morgan table, when population is nearly 55000 then it is required to develop sample based on 382 respondents. Moreover, to collect data from employees, questionnaire was developed and distributed among all respondents. While turnover intention (TI) has five items, psychological (PSY) has five items, commitment (CM) has five items, appreciative (APP) has five items, and quality of work life (QWL) also has five items. These are shown in Figure 1.

### 3. Research Methods

In the current study, descriptive research design has been chosen by the researcher for describing all incidents and happenings of research. Since this research deals with turnover rate of employees of oil and gas companies in UAE which is higher than other regions, and which deals with a country that gets all its revenue from oil and gas industry and a country which needs to retain its employees for improving their

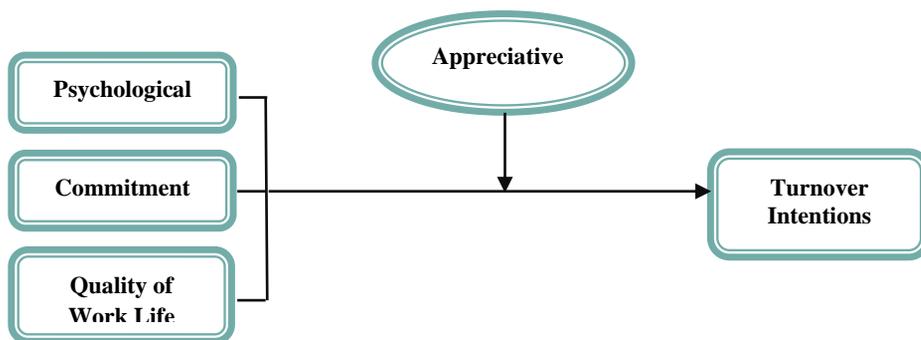


Figure 1: Theoretical Framework

#### 4. Findings

The findings of the current study exposed the links firstly among the items that are known as convergent validity, and it is checked by using the loadings and AVE that have more

than 0.50 values and also verified by using the CR and Alpha that have also more than 0.70 values and indicated that high correlation among the items. The values are shown in Table 1.

**Table 1.** Convergent Validity

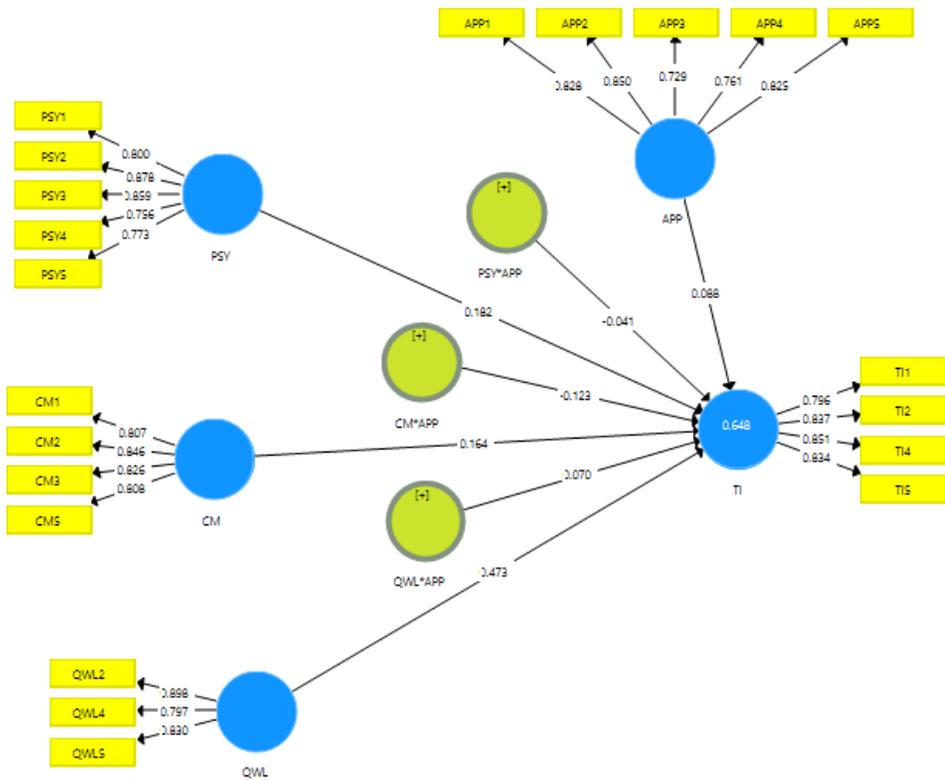
Constructs	Items	Loadings	Alpha	CR	AVE
Appreciative	APP1	0.828	0.861	0.899	0.640
	APP2	0.850			
	APP3	0.729			
	APP4	0.761			
	APP5	0.825			
Commitment	CM1	0.807	0.840	0.893	0.676
	CM2	0.846			
	CM3	0.826			
	CM5	0.808			
Psychological	PSY1	0.800	0.872	0.908	0.663
	PSY2	0.878			
	PSY3	0.859			
	PSY4	0.756			
	PSY5	0.773			
Quality of Work Life	QWL2	0.898	0.795	0.880	0.711
	QWL4	0.797			
	QWL5	0.830			
Turnover Intentions	TI1	0.796	0.849	0.898	0.689
	TI2	0.837			
	TI4	0.851			
	TI5	0.834			

The results of the present study showed the links secondly among the constructs that are known as discriminant validity, and it is checked by using the HeterotraitMonotrait

ratios, and the figures show that the values of the ratio are not more than 0.90 and indicated that no high correlation among the constructs. The values are shown in Table 2.

**Table 2.** HeterotraitMonotrait Ratio

	APP	CM	PSY	QWL	TI
APP					
CM	0.630				
PSY	0.493	0.587			
QWL	0.664	0.702	0.614		
TI	0.631	0.737	0.664	0.893	



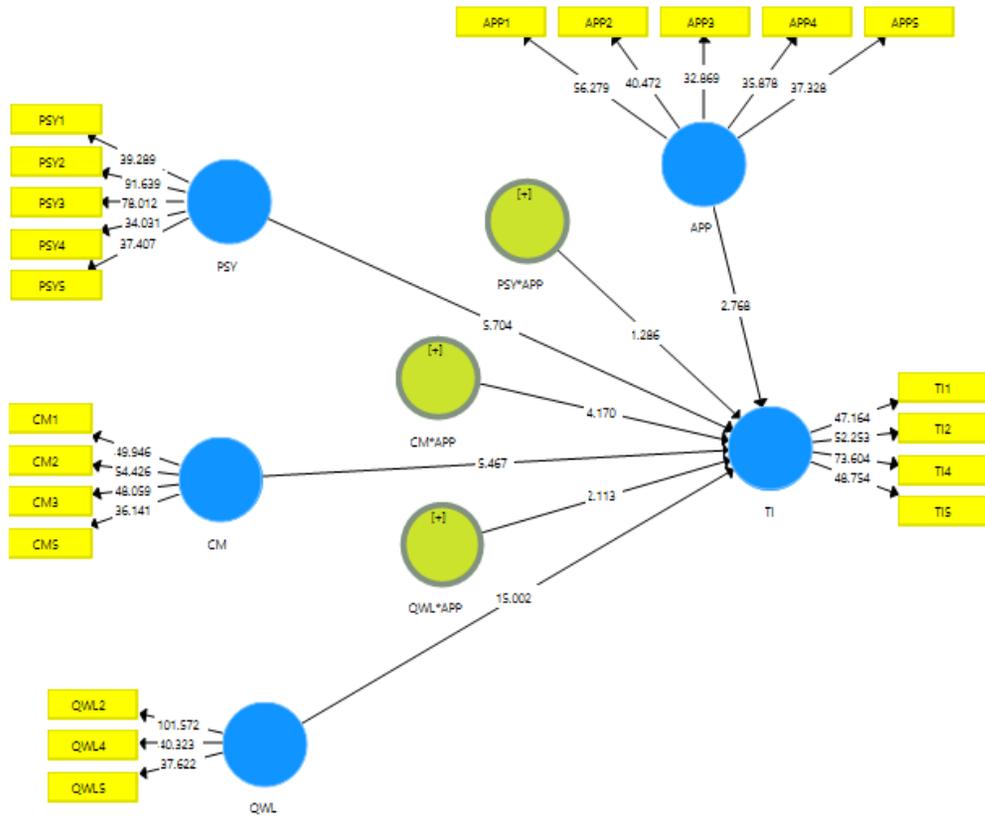
**Figure 2.** Measurement Model Assessment

The path analysis show that psychological contract, commitment, quality of work life and appreciative leadership have positive nexus with the turnover intentions and accept H1, H2, H3 and H4. In addition, appreciative leadership has moderated among the nexus of commitment and

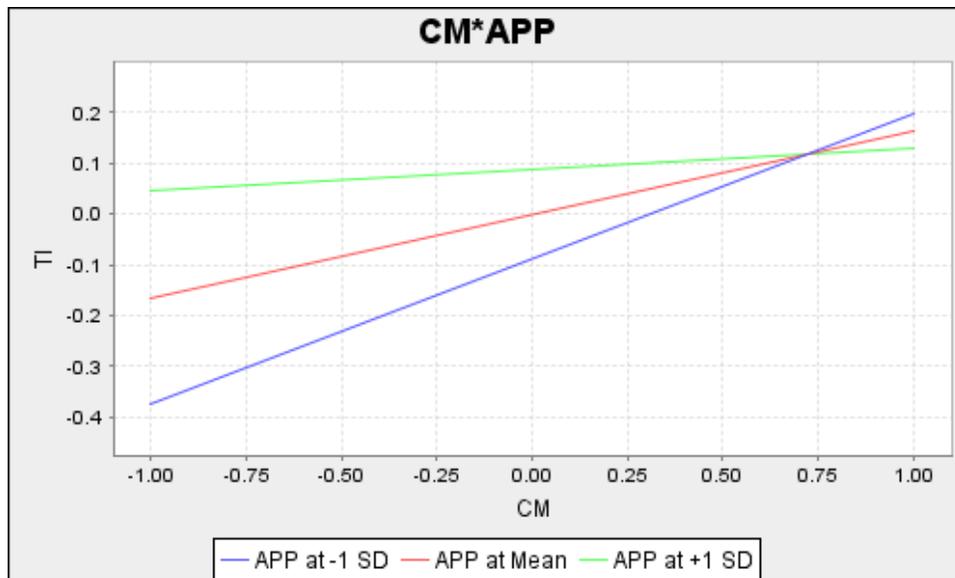
turnover intentions, quality of work life and turnover intentions and accept H6 and H7 while appreciative leadership has not moderated among the nexus of psychological contract and turnover intentions and reject H5. These path analysis are mentioned in Table 3.

**Table 3.** Path Analysis

	<b>Beta</b>	<b>S.D.</b>	<b>t-values</b>	<b>p-values</b>
APP -> TI	0.088	0.032	2.768	0.006
CM -> TI	0.164	0.030	5.467	0.000
CM*APP -> TI	-0.123	0.030	4.170	0.000
PSY -> TI	0.182	0.032	5.704	0.000
PSY*APP -> TI	-0.041	0.032	1.286	0.199
QWL -> TI	0.473	0.032	15.002	0.000
QWL*APP -> TI	0.070	0.033	2.113	0.035



**Figure 3.** Structural Model Assessment



**Figure 4.** CM\*APP

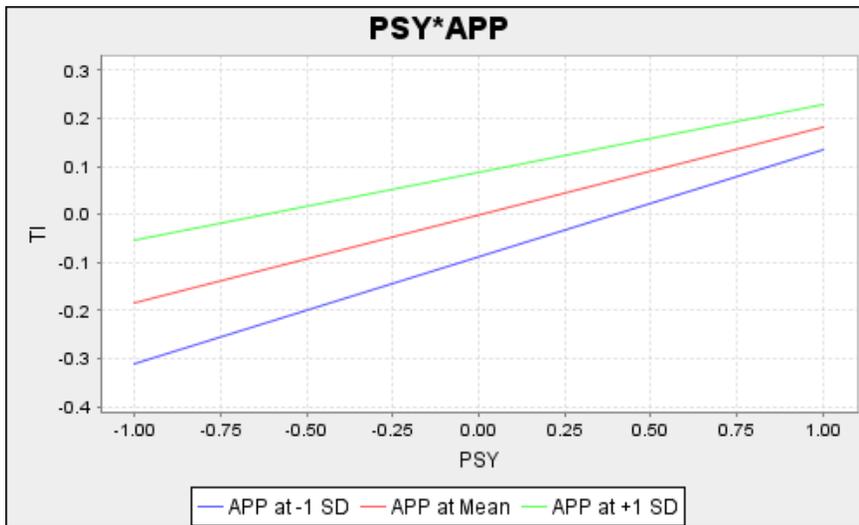


Figure 5. PSY\*APP

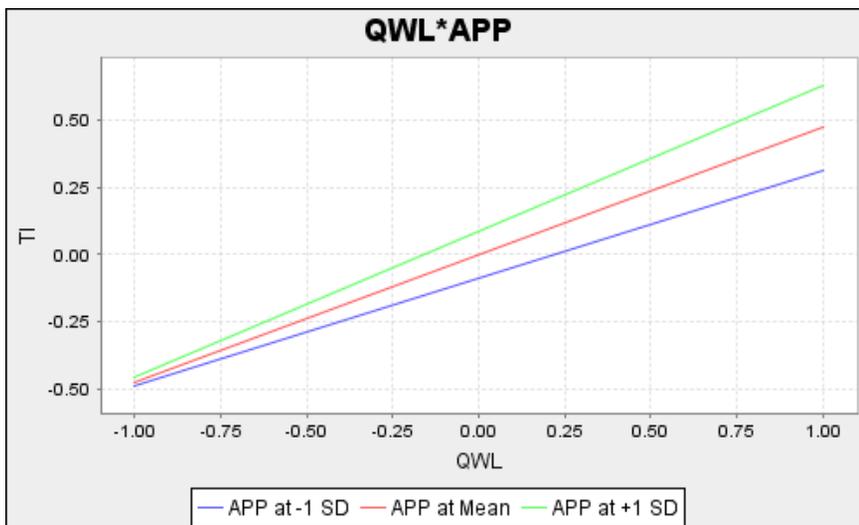


Figure 6. QWL\*APP

## 5. Conclusion and Discussion

The research objectives from one to seven were developed to test the direct relationship between psychological contract and turnover intention (RO1), between appreciative leadership and turnover intention (RO2), between commitment and turnover intention (RO3), and between quality of life and turnover intention (RO4), respectively.

After testing these direction relationship, moderating effect of appreciative leadership was tested as stated under the RO5-RO7 accordingly. To address all of these research objectives, overall seven research hypotheses were developed and tested through Smart-PLS. It was found that significant relationship exists between appreciative leadership and turnover intention, between commitment and turnover intention, between quality of work life and turnover intention.

All these relationship through empirical evidence are proved, research hypotheses for the direct relationship were accepted.

After testing the direct relationship between the variables, RO5-7 were developed to test the moderating effect of appreciative leadership and above stated variables. The findings through moderating effect, indicate that appreciative leadership moderates the relationship between quality of work life and turnover intention, and between commitment and turnover intention. The key findings of the study through path modelling of PLS indicates that significant and positive relationship exists between psychological contract and turnover intention, commitment and turnover intention and finally between quality of life and turnover intention. Meanwhile for the moderating effect of APP, only the relationship between QWL-TI and between CM-TI was significantly observed in oil and gas companies in UAE.

Present study has provided some meaningful theoretical contribution in a range of perspective. First, this study has discussed the relationship between several variables while dividing their nature into independent, dependent, moderator and mediator accordingly. More specifically, turnover intention of the employees at workplace is observed as main dependent variable. After reviewing the stated relationship of the targeted variables of the study, reader can significantly understand the motivational and stress factors at workplace which impact on turnover intention by the employees. In addition, not only the readers in their relevant field can understand the nature of the relationship, but the managers, policy makers and strategic planners can also reasonably use the conceptual framework of this research. For this reason, this study has provided a good theoretical contribution. In addition, turnover intention is influenced by variety of factors, however, the moderating role of appreciative leadership may be viewed as an additional documentary evidence to support the argument that how

employers can reduce the high turnover intention with the involvement of such variables. Meanwhile, to get the competitive advantage in the marketplace, selected firms are highly suggested to practically utilize the findings of this research. In this way, present study can contribute a cohesive approach for the employee's retention in Oil and Gas sector of UAE.

### **5.1. Limitations of the Study and Future Directions**

Present section has provided a meaningful future direction based on the range of limitations. For the present study, following limitations are observed for the future research. The very first limitations of this study indicates the coverage of only Oil and Gas companies in UAE. This means that only sector from total business firms as working in the region of UAE was selected and their employees were observed as core sample of this study. This fact would justify that current study is limited in terms of one industry, which seems to be insufficient for the generalization of the results.

### **5.2. Conclusion**

This study is a useful evidence for the firms working in Oil and Gas sector of UAE to overcome the issue of high turnover intention due to direct effect from exogenous variables. In addition, moderator role of appreciative leadership may also be viewed as a good contribution in the literature. The findings under study has several contributions like theoretical, methodological, and practical in nature. Theoretical contribution indicates the study significance in both conceptual and empirical literature, while methodological contributions signifies the application of SEM approach along with range of model fit indices. However, practical contribution of the study may observe through providing a documentary to various stakeholders for strategic decision making.

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