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**A CRITICAL STUDY OF THE IMPACT OF  
ARAB LEADERSHIP STYLES ON  
ORGANISATIONAL & EMPLOYEES'  
PERFORMANCE**

دراسة نقدية لتأثير أساليب القيادة العربية على كل من الأداء

الوظيفي و التنظيمي للمؤسسة

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Dissertation submitted in partial fulfilment of  
MSc in HRM (Masters in Human Resource Management)

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**February-2014**



## DECLARATION

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للمؤسسة

Dissertation Length: 22,990 words

(excluding references and appendices)

## **ABSTRACT**

Leaders play a vital role in ensuring high organizational performance. With an appropriate balance of motivation, ability and opportunity given to individuals; leaders promote excellent organizational performance. A fair balance of the equation including leadership style, proper work environment, adequate policies and procedures, tools to function and sufficient accountability, strong cultural values that promote transparency and provide clear guidance on desired outcome is what's needed for employees to perform. Though studies on leadership roles in enhancing performance amongst employees are ample in developed countries, there has been a lack of research on this subject in the Middle East. Therefore, the researcher decided to evaluate Arab leadership style, organizational performance and employee performance in a country that is well known for its wealth and multi-national companies such as Dubai. Unlike many other developing countries around the GCC, Dubai seems more of a central hub that attracts people from developed and developing countries to invest or even find a career. This fact allows the researcher to have a stronger view on Arab leadership style and their impact on performance, as it comes from various nationalities and expertise in the area.

The empirical research study used questionnaires with questions tailored towards determining the relationship between: Arab leadership styles and employee performance, which should indirectly determine the relationship between Arab leadership style and organizational performance. Also, the research intent was to identify the pattern of Arab leadership and the extent to which it has affected organizational performance. In addition, the researcher was interested in finding out more about potential factors responsible for low worker performance and how

leadership style has affected labour management relations and productivity in four selected small scale organizations that are grouped under one holding company.

After analysing the results using both qualitative and quantitative methods, it is concluded that in order to accomplish the objectives of different organisations need in Dubai, it is necessary that leaders: recognizes the needs of the workers; employs appropriate motivational tools such as right leadership style using appropriate leadership and management programs; providing workers with appropriate guidance and working tools; develop an adequate performance management system that would uncover sources of potential bias and accordingly incentives best performances.

Key words: organisations, leadership style, culture, performance, motivation and organizational and employee performance.

## ملخص دراسة نقدية: لتأثير أساليب القيادة العربية على كل من الأداء الوظيفي و التنظيمي

### للمؤسسة

يلعب القادة دوراً حيوياً و فعالاً في ضمان الأداء الوظيفي. مع نسبة من التوازن المناسب بين الدافع، القدرة و إتاحة الفرص للأفراد، يعمل القادة على تعزيز مهارات التفكير الإبداعي و تنمية الأداء الوظيفي المتميز. القليل من التوازن في المعايير السابقة بما في ذلك أسلوب القيادة الرائدة/الناجحة، بيئة العمل المناسبة والسياسات و الإجراءات المناسبة، توفر الأدوات و المستلزمات المطلوبة للعمل، بما في ذلك تحويل الصلاحيات اللازمة، القيم و العادات الراسخة التي تعزز الشفافية، تقديم توجيهات واضحة بشأن النتائج المرجوة هو ما يحتاجه الموظفون لتطوير أدائهم المهني. على الرغم من الدراسات حول دور القيادة الراسخة في تأسيس و تعزيز الأداء بين الموظفين وافرة في البلدان المتقدمة، إلا أننا نجد هناك نقص في الأبحاث حول هذا الموضوع في دول الشرق الأوسط. لذلك، قرر الباحث تقييم أسلوب القيادة العربية، و الأداء التنظيمي في تنمية الأداء الوظيفي في دولة تتسم بوافر الثروات و تعدد الشركات ذات نطاق واسع من حيث تعدد الجنسيات كدولة الإمارات العربية المتحدة و بالأخص مدينة دبي. خلافا للعديد من البلدان النامية الأخرى في أنحاء دول مجلس التعاون الخليجي، دبي تبدو أكثر من محور مركزي يجذب الناس من مختلف أنحاء العالم سواء البلدان المتقدمة أو النامية على الإستثمار أو حتى العثور على مستقبل مهني مستقر و متوازن. هذه حقيقة تسمح للباحث أن يكون له رأي بارز على أسلوب القيادة العربية وتأثيرها على الأداء الوظيفي، والذي ينبث من خبرته الوافرة مع مختلف الجنسيات والخبرات في المنطقة.

تم إستخدام مختلف الدراسات و البحوث من أجل هذا البحث العلمي منها استبيانات و بحوث تجريبية مع أسئلة مصممة خصيصاً لتحديد العلاقة بين: أساليب القيادة العربية و الأداء الوظيفي، والتي يجب بدورها أن تعمل بشكل غير مباشر على بناء العلاقة بين أسلوب القيادة العربية و الأداء التنظيمي. أيضاً، كان القصد من البحوث تحديد نمط القيادة العربية و مدى تأثيرها على الأداء التنظيمي. بالإضافة إلى ذلك، كان الباحث مهتماً بمعرفة المزيد عن العوامل المحتملة المسؤولة عن إنخفاض أداء العاملين وكيف إن أسلوب القيادة يعمل على تأسيس العلاقات بين الإدارة و العمالة و كذلك مدى تأثيرها على الإنتاجية في أربع منظمات صغيرة و ذات نطاق محدود والتي تعمل تحت شركة قابضة.

بعد تحليل النتائج باستخدام مختلف الأساليب النوعية والكمية، تم الإستنتاج إلى أنه من أجل تحقيق الأهداف المرجوة من المنظمات المختلفة في دبي، فمن الضروري أن يدرك القادة: إحتياجات العمال؛ بتوظيف وتمكين أدوات تحفيزية مناسبة على سبيل المثال، الأساليب القيادية الرائدة باستخدام البرامج القيادية و الإدارية الملائمة، وتوفير العمال بما يتطلبونه من توجيهات و أدوات العمل المناسبة ، كما يلزم تطوير نظام ملائم لإدارة الأداء الوظيفي والتي من شأنها أن تكشف عن مصادر التحيز المحتملة و وفقا لذلك تأسيس حوافز تكافأ أفضل الأداءات.

الكلمات الرئيسية : المنظمات، أساليب القيادة، حضارة و تقاليد، الأداء، التحفيز وأخيرا الأداء التنظيمي و الوظيفي.

## **ACKNOWLEDGMENT**

I am grateful to the former leaders of this respectful large UAE base company for their timely response and advice during this study. I also extend my gratitude to the human resources departments, of each entity for their continuous support in organizing the gatherings and encouraging employees to attend the sessions. Furthermore, I would like to thank the participants in my survey, who have willingly shared their precious time during the process of interviewing.

A special thanks to my father, Emirates International Telecommunications LLC, my current employer, and every individual, who inspired and encouraged me to pursue my master's degree and supported me through on-going advice and encouragement to this day, without them I would not have done it.

I would like to express my greatest gratitude to Prof. Ashly, for his understanding and continuous support and encouragement to achieve this as well as the useful ideas, thoughts that have been exchanged at various occasions that helped me with this study. And last but most certainly not least, I am grateful to God for His mercy that made this possible.

**Table of Contents**

DECLARATION ..... 2

ABSTRACT..... 4

ACKNOWLEDGMENT..... 8

CHAPTER1: INTRODUCTION ..... 11

    1. Introduction..... 11

        1.1. Research Questions..... 14

        1.2. Hypothesis ..... 14

        1.3. Significance of the Study..... 14

        1.4. Evaluation of the Study..... 15

        1.5. Structure of the Dissertation ..... 15

CHAPTER 2: LITERATURE REVIEW ..... 17

    2. Introduction..... 17

        2.1. Leadership Theories & Style ..... 17

            2.1.1. *Transformational Leadership* ..... 19

            2.1.2. *Transactional Leadership* ..... 21

        2.2. Performance..... 23

            2.2.1 *Individual Performance* ..... 24

            2.2.2. *Organizational Performance* ..... 26

            2.2.3 *Leadership Style and Performance* ..... 27

        2.3. Organizational culture and performance..... 31

            2.3.1. *Leadership, Organizational Culture & Performance* ..... 35

CHAPTER 3: METHODOLOGY AND DIAGRAMIC MODEL OF THE HYPOTHESIS .. 41

    3. Introduction..... 41

        3.1. Research Methods..... 44

        3.2. *Qualitative Data* ..... 45

            3.2.1. *Expert Interview Schedule* ..... 46

        3.3. *Quantitative Data* ..... 46

            3.3.1. *Questionnaire Design* ..... 47

            3.3.2. *Requirements of Questionnaire*..... 48

            3.3.3. *Data Collection*..... 49

        3.4. Process of the Sample ..... 50

            3.4.1. *Questionnaire Content* ..... 51

            3.4.2. *Interview Content*..... 51

        3.5. Content Analysis..... 53

        3.6. SPSS Analysis..... 54

        3.7. Difficulties and Mitigation Methods..... 55

        3.8. Professional, Legal and Ethical Issues ..... 55

CHAPTER 4: MAIN FINDINGS AND DATA ANALYSIS ..... 56

    4. Introduction..... 56

        4.1 Leaders Data Analysis ..... 56

4.1.1 Qualitative Data .....	56
4.1.2 Summary of the Data Collected .....	58
4.2 Employees Rating Data Analysis.....	59
4.2.1 Demographic Summary .....	59
4.2.2 Reliability.....	62
4.2.2.1 Leadership independent variable reliability:.....	62
4.2.2.2 Performance dependent variable reliability: .....	63
4.2.3 Correlation.....	63
4.2.4 Regression.....	66
CHAPTER 5: DISCUSSIONS .....	80
5. Introduction.....	80
5.1. Qualitative Study (Leadership Styles) .....	80
5.2. Quantitative Study (Leaders Rating) .....	82
5.3. Quantitative Study (Employees Rating) .....	83
5.4 Hypothesis1: There is a positive relationship between Arab leader transformational leadership and employee performance.....	86
5.6 Hypothesis2: There is a negative relationship between Arab leader transactional leadership and employee performance.....	87
5.7 Hypothesis3: Arab leadership styles (transformational and transactional) impact the employee's performance.....	89
CHAPTER 6: RECOMMENDATIONS & CONCLUSION.....	91
6. Introduction.....	91
6.1 Limitations of the Research .....	91
6.2 Recommendations.....	93
6.3 Conclusion .....	95
BIBLIOGRAPHY.....	98
Appendix A: Descriptive Statistics .....	102
Appendix B: Reliability Analysis .....	108
Appendix C: Correlation.....	113
Appendix D: Factor Analysis and Regression .....	117
Appendix E: MLQ Scoring Key and Employee Performance Scoring Key.....	131
Appendix F: Multifactor Leadership Questionnaire (MLQ) Leaders Questionnaire and Interview questions .....	132
Appendix G: Multifactor Leadership Questionnaire (MLQ) and Performance Rater Questionnaire .....	135
Appendix H: Cover Letter .....	139

## **CHAPTER1: INTRODUCTION**

### **1. Introduction**

The concept and definition of leadership may differ from one individual, or situation, to another. The term “leadership” has been used in various aspects of human endeavour such as politics, businesses, academics and social work to name a few. Early views about leadership show it as personal ability and capability of the individual. Messick & Kramer (2004 cited in Obiwuru, Okwu, Apa & Nwankwere, 2011) argued that the degree to which the individual exhibits leadership traits depends not only on his characteristics and personal trait, but also on the characteristics of the situation and environment in which he/she finds himself. Since human beings could become members of an organization to achieve certain personal objectives, the amount that they are active members depends on the extent to which they are convinced that their membership will enable them to achieve their pre-determined objectives. Therefore, an individual is likely to support an organization if he believes that his personal objectives and goals could be met; if not, the person’s interest may decline. Leadership style in an organization plays a significant role in enhancing or hindering the interests and commitments of the individuals in the organization. Thus, Glantz (2002) emphasizes the need for a manager to find his leadership style.

Leadership styles often will have significant effects not only on small organizations but also on many large corporations. These styles affect everyone from senior management to temporary employees. They build the corporate culture which consequently has significant influences on both employee and the organizational performance. In fact, Arab leadership styles play a significant role in shaping the organizational culture, based on the fact that most businesses are family oriented in nature.

Leadership styles are very dynamic and each has its own impact on individual performance and, consequently, on organizational performance. Accordingly, employee performance has been shown to have a tremendous positive effect on organisational performance (Collis & Montgomery, 1995). Although some of the top and middle management believe that they run the show, the principal influence on the organisation's performance is the quality of the workforce at all levels of the organisation, which only a great leader can understand and influence. Leaders must provide opportunities and tools to these individuals to perform, otherwise their performance may decline and subsequently the performance of the organization would decline. Therefore, one of the many reasons why some organizations have failed lies in the way in which their leaders managed their people and the inadequate or lack of understanding that such leaders had of the value of their taskforce. Organizations that have effective leadership and management rooted within their cultural values; have the ability to not only retain their calibre, but also maintain high performance.

Middle Eastern countries are small cultural based communities. They implement business practices that maintain strong cultural ties and in some cases a sense of predominant family oriented functional work environments. The manner in which these cultures may differ from one another depends on the leadership style and values, which drives the performance of both employees and organizations. Research conducted by Hawkamah institution has shown that family owned firms represent more than 60% of the total equity market value of the top 20 firms in the GCC. In fact, the survey also noted that 50 to 66.7% of board seats are held by members of the same family. This emphasizes having the same shared values and visions, which is usually cascaded down to employees. A small portion of these family oriented

businesses is connected to the royal families of these countries. Although there is some research that has studied the direct relationship between leadership style, organizational culture and commitment, the majority of leadership-related studies have indicated that leadership style has a great influence on commitment (Lok & Crawford, 1999). It is the role of these leaders to create an environment that inspires employee commitment and increases their motivation to perform.

Stogdill (1948) believed that situational factors played a strong role on leadership traits. If we believe that trait matters, then history is the framework for Arab leadership, for example a leadership that has been influenced by the rulers of the country. Under the vision and guidance of H.H. Sheikh Mohammed Bin Rashid Al Maktoum, Vice President, Prime Minister and Ruler of Dubai, the UAE has implemented many programs on a country level, which have been subsequently enforced on an organizational level. These programs are designed using various well known organizations under the patronage of H.H., for instance, the UAE Government Leaders Program, Emaar Properties Leadership program, Emirates Executive program, INSEAD Executive program and many more. The instigation of these programs lies solely in the vision and desire to build more leaders in the region who will pave the way for generations to come. Apart from these programs, there are various initiatives that support young leaders to discover their leadership skills and work on them, such as Dubai SME for Small and Medium Enterprises (the emphasis of which is to build leaders in the Arab region). What we are looking for is the type of Arab leadership styles that exists in the region, and how these styles affect employee performance and influence their organization's performance.

### **1.1. Research Questions**

1. Does Arab transformational leadership style associate with employee performance?
2. Does Arab transactional leadership style associate with employee performance?
3. Does Arab leadership style (transformational and transactional) build organisational culture and shape the relationship between the organizational and employee performance?

### **1.2. Hypothesis**

Furthermore, the following hypotheses were developed:

- H1. There is a positive relationship between Arab leaders' transformational leadership and employee performance.
- H2. There is a negative relationship between Arab leaders' transactional leadership and employee performance.
- H3. Arab leadership styles (transformational and transactional) impact the performance of the employee's and thus organizational performance.

### **1.3. Significance of the Study**

The study is mainly about Arab leadership style and its impact on organization and employee performance. The study aligns with the concept of leadership as explained by Taffinder (2006) and thus, considers leadership within the context of a holding company that has various entities that are part of different sectors. It allows us

to examine how the leadership of Arab leaders of different entities under one umbrella “holding company” contributes towards achieving high employee and organization performance. A holding type of organization is often one with a medium number of employees and can have medium size to low capital strength under each entity. Although these entities falls under one management leadership style and main strategy, they all act as separate organizations, with completely different lines of business and different leadership styles.

#### **1.4. Evaluation of the Study**

From this consideration, this study is intended to evaluate the effect of Arab leadership style on the performance of these small-to-medium size entities/organizations under the holding company, that contribute to empirical studies on leadership style and business performance. Further, it will propose quantitative-based recommendations for Arab leaders and leadership programmes to re-position the small organizations at integral part of the engine of economic growth and development in UAE.

#### **1.5. Structure of the Dissertation**

The study is divided into five sections.

1. Section one is the introduction, which gives the reader a brief description on the content of the research, with brief background, research question, hypothesis, significant of the study and the structure.
2. Section two is a review of the related literature, that consist of three sections, leadership theories and style, individual and organizational performance theories and finally the link between leadership style and both individual and

organizational performance that are somewhat derived from the organization culture.

3. Section three discusses the methodology employed in carrying out the study, the different methods of data analysis used, such as, interviews, questionnaire etc., the reasons and benefits of using the particular methods and their limitations on the research.
4. Section four is data presentation, analysis, and results of the data collection from previously mentioned employed methodology.
5. Section five is the finding and discussion of the presented data and analysis, explaining how well it represents our hypothesis in relation to our literature review.
6. Section five concludes the study and provides necessary recommendations for further studies in this field and for Arab leader.

## **CHAPTER 2: LITERATURE REVIEW**

### **2. Introduction**

The literature review presented in this paper is examined in three stages. First, studies of the different leadership theories and style are discussed. Second, research into performance of individuals and the organizational performance and its link with leadership styles, and finally, the analysis of leadership style and how it shapes organizational culture and the links between organization and employee performance.

#### **2.1. Leadership Theories & Style**

Leadership has been identified as the main force that creates higher impact in the field of organizational behaviour. Their ability to understand and drive employee performance and lead to better organizational performance is remarkable. Their impact reflects as either creative or productive performance. As stated by Bukingham “Discover what is unique about each person and capitalize on it” (cited in Araoz, 2007). Leadership is one with the most dynamic effects during individual and organizational interaction. As defined by Yukl in Larssona & Vinberg (Leadership behaviour in successful organisations: Universal or situation-dependent?, 2010, p. 330) leadership is “the process of influencing others to understand and agree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish shared goal”. Obiwuru et al. argues that the ability of an individual to execute “collaborative effort” as he said it depends on his leadership skills and competencies. “Lee & Chuang (2009) explain that an excellent leader not only inspires subordinate potential to enhance efficiency but also meets their requirements in the process of achieving organizational goals. Stogdill (1957) defined

leadership as the individual behaviour to guide a group to achieve the common target (for further discussion see: Obiwuru, Okwu, Apa & Nwankwere, 2011).

Among the various leadership theories in relation to employee and organizational performance, perhaps the most prominent is the transformational-transactional theory of leadership (Obiwuru, Okwu, Apa & Nwankwere, 2011). As identified by Kirkman and Rosen (1999) in (Williams, Parker, & Turner, 2010) team performance is an emergent factor with team empowerment that is developed through factors such as leader behaviour, responsibility, and various other factors. More specifically, as explain by Saowalux & Peng (2007) and Burns (1978) they build two hypothesis two differentiate what they called “ordinary” from “extraordinary” leadership; these are transactional and transformational leadership (Obiwuru, Okwu, Apa & Nwankwere, 2011). Transactional (ordinary) leadership mainly believe in straight forward exchange type relationship. In which followers’ need to comply with the demands to achieve results in exchange of a particular reward. In contrast, transformational leaders believe in building individuals and teams, in which the leaders lead people in an effort to transform them as well as realign their goals with the organizational goals. They raise followers’ awareness levels by highlighting the importance of teamwork, collaboration, change, openness and self-development in order to achieve better results. They build individuals self-motivation in a way that forces them to focus on setting goals for self and the team so as to accomplish outstanding performance for the sake of the larger mission and vision of the organization (Obiwuru, Okwu, Apa & Nwankwere, 2011).

‘Such total engagement (emotional, intellectual and moral) encourages followers to develop and perform beyond expectations (Burns, 1978; Bass, 1985). Burns (1978) observes that transformational leadership involves the process of influencing major changes in organizational attitudes in order to achieve the organization’s objectives and strategies. Bass (1985) observed that transactional leaders work within

their organizational cultures following existing rules and procedures, while transformational leaders change their cultures based on a new vision and a revision of shared assumptions, values and norms. When an organization must adapt to changes in technology, its leadership is a critical factor in its successful change. Bass (1985) operationalized the work of Burns (1978) by developing a model of transformational and transactional leadership, referred to in more recent publications as the full range leadership model (Bass & Avolio, 1997).'

(Obiwuru, Okwu, Apa & Nwankwere, 2011)

### ***2.1.1. Transformational Leadership***

In the various leadership styles suggested by scholars, it's clear that there are two groups of leaderships each of which differs based on the way they motivate others. Transformational leadership style transforms the personal values and beliefs of the leaders to stimulate and motivates subordinates to achieve more (Bass, 1985). Burns (1978, cited in Chan, 2010, p. 60) identified transformational leadership as a process where, one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality.

In transformational leadership style, the leaders are admired, respected and trusted by the followers as they sense the trust and respect mutually in return by the leader, therefore followers display high self-motivation and enthusiasm in their performance (Bass, 1985; Katz & Kahn, 1978). Transformational leader pay attention to individuals needs to stimulate their creative and innovative mind toward the larger objective of the organization or team and their own higher needs. Leaders under this style encourages followers to seek innovative and creative approaches to achieve their objectives, which results into new ideas and addressing issues and finding improved solutions (Bass et al. 1994; for further discussion see: Obiwuru, Okwu, Akpa, & Nwankwere, 2011). They also empower their teams by promoting autonomy that creates a sense of belonging in these employees and develops the desired motivation to perform (Ceharbons, Barlin & Kellowa, 2001). As a result, there is an increase in

their level of performance, satisfaction, and commitment to the goals of their organization (Podsakoff et al. 1996). Transformational leaders generally have a more content workforce, since their employees have input into decision-making and can feel the involvement level as well as the sense of belonging.

As proposed by Bass (1990) there are four main behaviours or attributes of transformational leadership, these are idealized influence, inspirational motivation, intellectual stimulation, and individual consideration.

‘Charismatic, or idealized influence or attributes, is characterized by vision and a sense of mission, instilling pride in and among the group, and gaining respect and trust (Humphreys & Einstein, 2003). Charismatic behaviour also induces followers to go beyond self-interest for the good of the group, providing reassurance that obstacles will be overcome, and promoting confidence in the likelihood of successful achievement and execution of influence (Conger & Kanungo, 1998; Howell & Frost, 1989) and followers place an inordinate amount of confidence and trust in charismatic leaders (Howell & Avolio, 1992).’

(Obiwuru, Okwu, Apa & Nwankwere, 2011)

‘Drawing on Bandura (1986), Shamir et al. (1993) propose that charismatic leaders’ expression of high expectations for follower performance and their ability to persuade followers that they can meet those expectations motivate followers to produce and sustain greater effort via the mediation of self-efficacy’ (Shea, 1999).

‘Inspirational motivation is usually a companion of charisma and is concerned with a leader setting higher standards, thus becoming a sign and focal point of reference. Bass (1985) points out followers look up to their inspirational leader as one providing emotional appeal to increase awareness and understanding of mutually desirable goals. This is characterized by the communication of high expectations, using symbols to focus efforts, and expressing important purpose in simple ways. The leader always behaves by talking optimistically about the future, articulating a compelling vision for the future and providing an exciting image of organizational change (Bass & Avolio, 1994). The motivation occurs by providing meaning and challenge to the followers. Work, individual and team spirit are aroused and enthusiasm and optimism is displayed. The leader encourages followers to envision attractive future states, for the organization and themselves (Bass et al. 1997).

Intellectual stimulation provides followers with challenging new ideas and encourages them to break away from the old ways of thinking (Bass, 1985). The leader is characterized as one promoting intelligence, rationality, logical thinking, and careful problem solving. The attributes include seeking differing perspectives when solving problems, suggesting new ways of examining how to complete assignments and encouraging re-thinking of ideas that have not been questioned in the past (Bass & Avolio, 1994). The leader encourages the followers to be innovative and creative by questioning assumptions, reframing problems, and approaching old situations in new ways.

Finally, the fourth dimension of transformational leadership is individual consideration, which is concerned with developing followers by coaching and mentoring (Bass, 1985; Bass & Avolio, 1990). The leader pays close attention to the inter-individual differences among the followers and acts as mentor to the follower. He teaches and helps others develop their strengths, and listens attentively to the concerns of others (Bass & Avolio, 1994). "Followers are treated individually in order to raise their levels of maturity and to enhance effective ways of addressing their goals and challenges" (Bass, 1985).'

(Obiwuru, Okwu, Apa & Nwankwere, 2011)

Leaders under the transformational style, emphasizes that management must offer guidance to the teams and departments while being open to accepting input from individuals. They still reserve the right to make final decisions but always encourage feedback, ideas, and suggestions from all levels of employees which makes them feel connected to the organization. As stated in Vigoda-Gadot (2007) that Burns (1978) suggests "that the outcome of transformational leadership is a relationship of mutual stimulus that transforms the led into leaders and the leaders into moral agents."

### ***2.1.2. Transactional Leadership***

As discussed earlier, transactional leadership involves an exchange system that emphasises on follower compliance with leader request in order to be rewarded. The leader ensures that individuals are performing the desired tasks to meet desired organizational objectives (Boehnke et al. 2003). 'The objective of the transactional leader is to ensure that the path to goal attainment is clearly understood by the internal

actors, to remove potential barriers within the system, and to motivate the actors to achieve the predetermined goals' (House & Aditya, 1997) cited in (Obiwuru, Okwu, Akpa, & Nwankwere, 2011). Such type of leadership style results in a performance that is consistent with size of the reward. Several researchers shown that this style of leadership has significant positive correlation with employees' performance, commitment, and satisfactions in various different cultures.

'Transactional leaders display both constructive and corrective behaviours. Constructive behaviour entails contingent reward, and the corrective dimension imbibes management-by-exception. Contingent reward involves the clarification of the work required to obtain rewards and the use of incentives and contingent reward to exert influence. It considers follower expectations and offers recognition when goals are achieved. The clarification of goals and objectives and providing of recognition once goals are achieved should result in individuals and groups achieving expected levels of performance (Bass, 1985)'

(Obiwuru, Okwu, Akpa, & Nwankwere, 2011)

Contingent reward leaders would either reward or discipline their followers based on their performance (Senior, 1997). Active management-by-exception refers to the leader with set standards for compliance and are more result oriented; this type of leadership may include punishment as well as rewards for meeting compliance with those standards. As stated by Pradeep & Prabhu (2011) "The leader concentrates fully on dealing with employees' mistakes, complaints and failures." This style of leadership implies micromanagement were close monitoring of nonconformities, mistakes, and errors are major tasks and accordingly corrective actions are to be taken as and when necessary. This style clearly defines the division between leaders and workers were leaders take all decisions on company operational and strategic plans and provide less options or room for creativity, creating a gap between the employees' and the organization's goals. Transactional leadership style is basically were the leader makes work more instrumental for followers with clear procedures and

guidance to reach their own existing goals while concurrently contributing to the goals of the organisations (Brand et al. 2000).

It was shown in a research study conducted by Pruijn & Boucher (1994) that transformational leadership is an extension of transactional leadership (Bass, 1997). The difference between these two styles is that followers of transformational leadership exhibit performance which is beyond expectations, while transactional leadership, at best, leads to expected performance (Bass & Avolio, 1994). Transactional leaders can be more effective in markets that are continuously growing and where there was little or no competition (Ristow, 1998), which is certainly not the case in today's market, where we face high competition and clear lack of resources. In fact, the current competitive business environment requires a new style of leadership that ensures organization survival before it can perform (Bass, 1985; Brand et al. 2000).

## **2.2. Performance**

Although the term performance is used extensively in all fields of management, its actual meaning is rarely explicitly defined by authors even when the main focus of the research is performance. It is often identified or associated with effectiveness and efficiency (Neely, Gregory & Platts, 1995). Performance is a relative concept defined in terms of some referent employing a complex set of time-based measurements of generating future results (Corvellec, 1995). As a result the majority of organisations have streamlined their organization/operations performance under the concept of performance objectives. These performance objectives, define clear organizational objectives that cascade to the departments and individuals. Also and more specifically in the Arab region, organisations can perform well or poorly

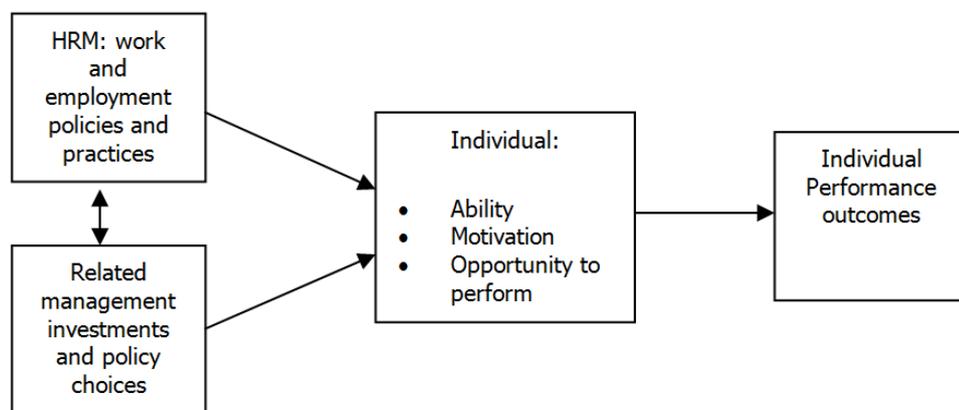
due to external forces, such as exchange rates, imposed taxation, cultural forces, etc, which many organizations fail to consider, while setting their organizational objectives/goals that eventually impact on individuals. To maintain and have accurate performance objectives and results in such an environment, the organisation needs to define clear SMART objectives to get the most out of its assets, especially the human assets and reward them accordingly. Performance management is an on-going and joint process between the employee and the leader of an organization who, “strives to improve the employee’s individual performance and his contribution to the organisation’s wider objectives” (Hellriegel et al. 2004, p. 249). Although, organizational performance is a concern of each and every member of the organization; stakeholders, shareholders, management, customers and employees, is a collective believe and recognition that the notion is derived from the organisation’s human resources department (Hellriegel, et al. 2004).

### ***2.2.1 Individual Performance***

As stated by Amos et al. (2004, p. 63) “the effective management of individual performance is critical to the execution of strategy and the organization achieving its strategic objectives”. Performance cannot be left indeterminate expecting individuals to achieve, although some employees naturally desire performance for various reasons. This desire needs to be designed and facilitate a systematic approach for it to accomplish its goals (Amos et al. 2004). Individual performance and its management has become a large issue in today’s business environment (Armstrong & Baron, 1998). Whetten & Cameron (1998) state that individual performance is the product of ability multiplied by motivation. We can say that an individual’s performance is influenced by factors such as ability to perform, motivation factors and the

opportunities given, known as AMO or the performance equation, as shown in the diagram below in Figure 1. The performance equation can also be used as a method of succession planning for those individuals, who have the (ability) and desire to perform and the “will do” attitude (motivation) to perform which accordingly provide them with the necessary tools to perform (opportunity).

**Figure 1- The AMO framework**



**Adapted from** Boxall & Purcell (2008)

Cummings & Schwab (1973) also had similar views, where they described the ability of the individual as a reflection of their capabilities that enables them to behave in a certain way, and motivation as the effort or energy, which drives the behaviour and determines how vigorously capabilities will be employed to perform certain tasks. The balance of both factors is quite important to achieve desired results. This is also supported by Vroom (1964) who indicates that factors that influence individual performance within an organisation are the ability of the individual and the willingness of the individual to exert effort (motivation).

### ***2.2.2. Organizational Performance***

Performance when it comes to the organization can be defined as a set of time-based specific and well measured objectives that generate future results (Corvellec, 1995). For more than a decade, organizations have experienced radical and dynamic change factors. Every moment presents a diverse set of challenges and obstacles, for instance, laws and regulations, economic factors, lack of competencies in the market and, most important these obstacles are unpredictable. Many organizations believe that their employees contribute to the organization's performance. As a matter of fact, employees play a pivotal role in organizational success (Collis & Montgomery, 1995). Many research articles have shown that employee performance has a significant positive effect on organizational performance. However, major pitfalls in an organization occur when managers believe their organizations are constantly operating at the highest level (Foot & Hook, 1999).

The complexity of managing organizations today requires managers to view performance in several areas simultaneously. Therefore, a performance management system is a very important set of tools to manage employees' performance within any organization. There are various tools that manage both individual and organization performance, such as, the Balanced Scorecard by Kaplan & Norton (1996), and the 360 degree process of performance management that includes group assessments and peer reviews, as well as written reports (Hellriegel, et al. 2004). In recent years, performance management systems have become more important as the pressure to improve organizational performance has increased on line managers (Holloway, Francis & Hinton, 1999).

Thus, effective leadership enables greater participation of the entire workforce, which influences both individual and organizational performance (Bass,

1997; Mullins, 1999). A good leader understands the importance of employees in achieving the broader goals of the organization. He/she understands that to have better organizational performance, there must be a link between the individual's goals and the organization's goals. Furthermore, it is generally accepted that the effectiveness of any set of people is largely dependent on the quality of its leadership, they facilitate the follower's desires, which then results in effective performance (Fiedler & House, 1988; Maritz, 1995; Ristow, et al. 1999).

### ***2.2.3 Leadership Style and Performance***

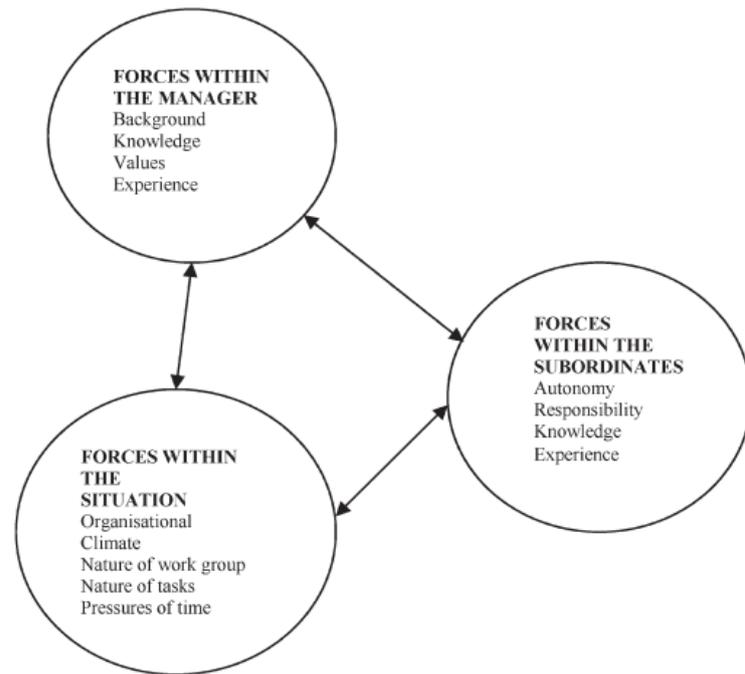
'Fry (2003) explains leadership as the use of a leading strategy to offer inspiring motives and to enhance the staff's potential for growth and development. Several reasons indicate that there should be a relationship between leadership style and organizational performance. The first is that today's intensive and dynamic markets feature innovation-based competition, price/performance rivalry, decreasing returns, and the creative destruction of existing competencies (Santora et al. 1999; Venkataraman, 1997). Studies have suggested that effective leadership behaviours can facilitate the improvement of performance when organizations face these new challenges (McGrath & MacMillan, 2000; Teece, Pisano & Shuen, 1997).'

(cited in: Obiwuru, Okwu, Apa & Nwankwere, 2011)

As suggested by Tannenbaum & Schmidt (Cited in: Kanji, 2008), leadership active participation in the organization through its three different forces, as shown in Figure 2: leadership management style, team or subordinate management style, and the situation or environment they are currently dealing with, could ensure sustainable vision that enables them to accomplish their desired performance (Kanji, 2008, p. 420).

**Figure 2: Management Style and Interrelated Forces.**

(Adapted from Kanji, 2008)



As shown above, the performance of an organization and an individual are closely connected with the leader's ability to bring work autonomy, ensure that employees has the appropriate knowledge, experience and the right environment and tools to perform. Organizational performance is nothing but the ability of a corporate to achieve certain desired objectives, such as, higher profit, higher productivity, better customer service, better financial results and/or survive a pre-determined phase using a well-designed strategy (Koontz & Donnell, 1993). Setting up organizations' goals provides higher objectives and means for the individuals to aim to, which consequently increases enterprise performance in terms of the level of profit, market share, product quality and so forth dependent on the type of business. An enterprise's productivity and performance is substantially by all individuals' performance and work outcomes, measured in terms of profit, productivity or customer service.

Therefore, understanding the influence of leaders on overall organizational performance is vital, as indicated by various researchers it's a key force to creating improvements in organizational performance. Based on Bandura (1986), Shamir et al. (1993) propose that some leadership styles/behaviours are viewed as effective force to

produce and sustain performance. Similar, though not identical views were drawn by Obiwuru et al. (2011) that leadership is perceived as an effective source to improve and sustain management development and organizational performance (Avolio, 1999; Lado, Boyd & Wright, 1992; Rowe, 2001). Basically, the two leadership styles we have discussed earlier, transactional and transformational demonstrate valuable behaviours or characteristics that persuade followers to perform better. For instance, the inspirational motivation type of transformational leaders provides meaning and challenges to their follower's work, which help lift the individual and team's spirit and builds the desired levels of commitment and performance. On the contrary, transactional leadership with their less ambiguity and clear structures of goals and associated rewards helps organizations to achieve their current objectives more effectively (Zhu, Chew & Spengler, 2005). Although many scholars suggests that transformational leadership can result in long term commitment, loyalty and job satisfaction. Lok & Crawford (1999) suggest that transactional leadership style could demonstrate more positive results to commitment and job satisfaction amongst Hong Kong managers.

Although, various evaluations have been conducted with respect to leadership development programs (Van De Valk & Constatas, 2011), there is no one formula for effective leadership to drive organizational performance, yet, one must agree that there are certain aspects which must be considered to reach the required level of effectiveness of leadership. As drawn from the different articles, these can be summarized in: creating a shared vision, communicating the vision, establishing the sense of team work and emphasizing its importance, planning and delegating, recognizing and rewarding, articulating new/successful behaviors and finally ensuring leadership development and succession (Kotter, 2007). These also demonstrate

various transactional and transformational leaders behaviours and styles. At this point we can assume that leadership certainly contributes in the success or failure of an organization. As is shown in Figure 1 and 2, there are various aspects that shape an organization's performance, and a key role is played by leaders. Other aspects such as policies and procedure, computers, systems, work environment, etc are all means that can assist individuals to perform effectively. Leaders are believed to form and shape a shared model that creates either a clear path in the case of transactional leadership or clear vision, in the case of transformational leadership both of which are often seen as important elements for employees to perform.

There is indeed a significant relationship between employees' and management's leadership styles which one must adapt and focus on. So far we have seen that transactional leadership provides and fulfils both the organization's and employees' needs to some extent, whereas transformational leadership focuses on understanding and developing common values and visions that help followers be part of the organizational goals (Ojokuku, Odetayo, & Sajuyigbe, 2013). However, according to House & Aditya (1997), while focusing on superior-subordinate relationships one must not disregard other important intangible factors such as, culture, skills and competences, motivation and most important, personality and traits. People, structure, technology and environment are the four major forces that affect the nature of the present workforce (Newstrom, 2007). Other scholars have also suggested that there are gaps in the relationship between leadership and organizational performance. Some suggest these gaps are the mediators in the relationship between the two.

The above review of the literature, indicates that there is a fundamental correlation between leadership and organizational performance. The relationship may

vary from a positive to negative correlation between the two in various studies. It is certainly hard to draw one clear model of the relationships in leadership's impact on performance, especially since we highlighted the gap in knowledge that remains over the role of numerous mediators. Therefore, the intention of this dissertation is to re-examine the proposed relationship between leadership and performance adding value to the existing literature in this area.

### **2.3. Organizational culture and performance**

Goffee (1997) in (McKenna, 2006) defined culture as “historically created guides for living and collective mental programming, and these are derived from deep assumptions that are not directly accessible but may be reflected in the values, attitudes, and behaviour of individuals and groups”. Similarly, as stated in Deshpandé, Farley & Webs (1993), Deshpandé & Webster (1989) reviewed a number of studies in the field of organizational behaviour, sociology, and anthropology; defined organizational culture as "the pattern of shared values and beliefs that help individuals understand organizational functioning and thus provide them with the norms for behavior in the organization" (p. 4). Another definition of organizational culture by Moorhead and Griffin (2004) cited in (McKenna, 2006) is “set of values, often taken for granted, that helps people in an organization understand which actions are considered acceptable and which are considered unacceptable”. As defined by Martine et al. (1988) cited in (Pinnington, 2012) and for the purpose of this research, culture is “A collective (for example society, organization, group or sub-group) interpreted for its sense of social integration, differentiation, and fragmentation”. Cultural values as agreed by many researchers are collective efforts driven by the leaders of the organization, which helps with aligning goals and ensures performance

and commitment. From the above various definitions, we can conclude that organizational culture is a collective values and patterns developed by members of a group, usually top management, to achieve desired shared goal. As indicated by several researches the topic of organizational culture can be clearly noticed during the nineteenth and twentieth centuries. The attention given by scholars and researchers to the topic of organizational culture is impressive, which only indicates the importance of the notion. However, the massive number of definitions and various descriptions of the topic have only made it more difficult and a debatable for researchers in this field. The major reason recognised for the debate on this subject is driven by the theory of organizational culture leading to superior organizational performance. Whereas, many researchers argues that organization's performance is dependent on the commitment and understanding of the organization's leaders and subordinates (See: Ogbonna & Harris, 2000).

It is also important to note that although there has been various key components indicated by researchers for the formation of the concept. Majority had top management commitment as a crucial and common factor. While the evidence of the relationship between leadership and performance is largely subjective, considerably more research has examined the organizational culture–performance relationship. Many studies have proven that an ethnographic study through a qualitative approach is the best to find a relationship between leadership style and culture, being such a complex context (Ofori & Toor, 2009). As stated in (Chan, 2010) “To achieve success, leaders must inspire others to work together to deliver high-quality results. They will always have to display certain traits, such as ensuring customer satisfaction, communicating a vision, and focusing on results (Goldsmith 2003)”.

One of the main reasons for the claim that organizational culture is linked to performance is perceived from the role that culture plays in generating competitive advantage through implicit part of the employees' values and beliefs. They suggest that organizational culture may create competitive advantage by drawing clear path that foster common understanding between employees that enables the individuals to interact and take action to some extent within the supposed limitations. As stated by McKenna (2006) "The interaction of people and culture has reinforcing qualities, frequently resulting in committed employees". The fact that nowadays organizations consist of individuals with different cultural and social experiences, urge leaders to look into the importance of understanding these differences and unifying their organization's culture (Ashkanasy, Hartel, & Daus, 2002). Similarly, it is argued that a strong organizational culture has significant influence on the member's behaviour, simply because the core values of the culture are widely understood and embraced (Ogbonna, 1993). On the contrary, the weaker the culture the more it is likely for conflicts to occur between the members, due to lack of direction. As stated by Suliman & Abdulla (2005) strong cultures would help "understanding organizational conflict and the role it plays in influencing employee behaviour and work outcomes".

Furthermore, researchers in this field are explicit in their claims about a culture-performance association. Some argue that successful organizations are well-known for their ability to promote strong cultural values which are consistent with their overall organizational strategies (example.g. Deal & Kennedy, 1982; Ouchi, 1981; Pascale & Athos, 1981; Peters & Waterman, 1982). Some suggest that the interaction between people and culture has a positive impact on employee performance and commitment, however this view has been subjective and been criticised by many.

In the early 1990s, some researchers proposed that there is a correlation between certain organizational cultural characteristics and performance (Gordon & DiTomaso, 1992; and Denison, 1990). In particular, they noted that it is essential for culture to be able to adapt to changes in environmental conditions for it to have a significant correlation. For instance, several scholars who investigated these two subjects reported that many mergers fail due to an insufficient understanding of the two diverse cultures that result in organizational culture conflicts. The impression is that, the leaders' insufficient understanding of their own shared values and visions is what is attributed to the failure of a merger (see: McKenna, 2006, p. 528). In fact similar concern arises for many large organizations, having a dominant and multiple sub-cultures, these are usually based on the structure of the organization and how connected or separate are the various levels. The dominant culture would be the widely shared culture among employees, whereas the sub-culture would be noticed between groups or smaller departments. If the dominant culture is weak or not well-understood or manifested, conflicts can arise between the two cultures. Furthermore, researchers argue that it is not about how strong or how widely spread is the culture, rather how exceptional is the current culture. Nevertheless, this relationship between culture and performance remains weak (Hop • et al. 1992; Lewis, 1994; Lim, 1995; Ray, 1986; Willmott, 1993).

The above literature provides an indication that the concept of organizational culture is broad and emergent. Many academics, practitioners and leaders find the concept interesting and claim that it requires further attention, mainly because they seem to agree on the fact that there is a link between organizational culture and performance (See Source: Ogbonna & Harris, 2000). While, the correlation between organizational culture and organizational performance is still arguable by many

academics, adequate evidence exists to suggest that culture can be directly or indirectly associated with performance.

### ***2.3.1. Leadership, Organizational Culture & Performance***

In the previous sections of this literature review, we have tackled the following topics; the relationship of leadership with individuals' performance, organizations' performance and between organization culture and its relationship with performance, in which we highlighted number of reports indicating that the performance of an organization is highly dependent on the alignment of employee values with the incorporated values of an organization that enables them to think Big Picture. This suggests that these values are built and emphasised through a strong organization culture that is usually formed by the leaders. The following is a review of the literature on this concept.

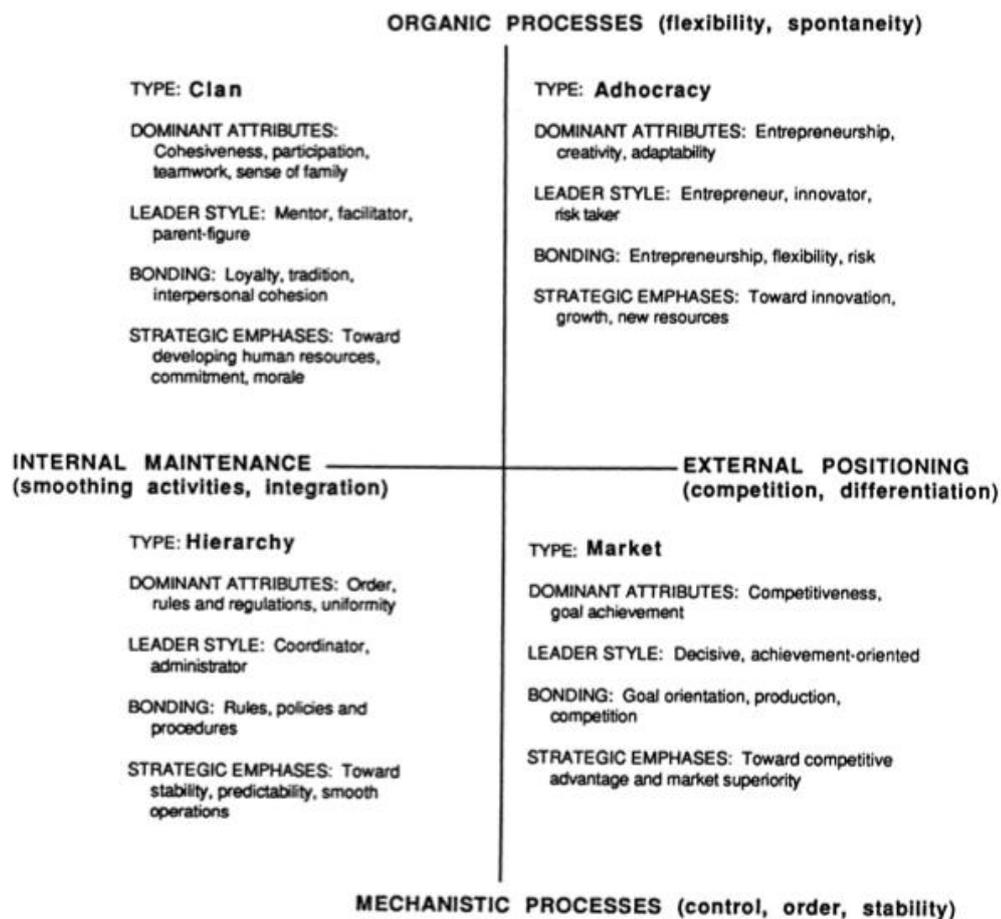
Number of researches on the relationship of organization culture and leadership style has been undertaken in the past; however, very few considered the influence of it on performance. As stated in (Awan & Mahmood, 2010) "Maehr (1990) has studied relationship between organizational culture and motivation and concluded that culture shapes up the "psychological environment" in the organizations". As concluded by Lok and Crawford (1999) there are various variables that could influence commitment and performance, including, age, pre- employment expectations, perceived job characteristics, and the consideration dimension of leadership style. One way of uncovering this vague relationship between culture and leadership is to examine how culture has been conceptualized in organizational theory.

'Smircich (1983) identifies two approaches to the study of the cultural phenomenon in organizations: one culture as an organizational variable, and

second, culture seen as something which can be manipulated. Thus the nature, direction, and impact of such manipulation are dependent on the skills and abilities of the leader. The majority of the literature which extols the virtues of transformational leadership demonstrates widespread support for this view (for example, Nicholls, 1988; Quick, 1992; Simms, 1997). In contrast, if culture is seen as an integral part of the organization, then the thinking, feeling, and responses of leaders are moulded by the culture' (Bass & Avolio, 1993; Schein, 1992; See source: Ogbonna & Harris, 2000).

As argued by Larssona & Vinberg (2010) it is leaders' leadership behaviour with their subordinates that affects the outcome of employee work effectiveness, productivity, quality, health and job satisfaction. It is that healthy relationship that links the style/behaviour with individuals' work performance. The way employees are treated, respected and guided by their leaders builds the bridge to an effectiveness and loyalty based culture.

**Figure 3: A model of Organizational Culture Types**



**Adapted from:** (Cameron & Freeman, 1991) and (Quinn, 1988) in (Deshpandé, Farley, & Webs, 1993).

‘Schein (1992) observes that organizational culture and leadership are intertwined. He illustrates this inter-connection by looking at the relationship between leadership and culture in the context of the organizational life cycle. Thus, during the process of organizational formation, the founder of a company creates an organization which reflects their values and beliefs. In this sense, the founder creates and shapes the cultural traits of their organization. However, as the organization develops and time passes, the created culture of the organization exerts an influence on the leader and shapes the actions and style of the leader. Through this dynamic on-going process, the leader creates and is in turn shaped by the organizational culture. “In summarizing the consensus of opinion on the links between organizational culture and leadership, Bass & Avolio (1993) mirror the argument of Schein (1992) by suggesting that the relationship between the two concepts represents an on-going interplay in which the leader shapes the culture and is in turn shaped by the resulting culture’

(cited in Ogbonna & Harris, 2000).

If you look at Figure 3, it illustrates four classifications of organizational culture; each of which shows variance in the degree of performance and leadership style. There are other factors such as market competitive advantage and market superiority, which is likely to result in better business performance than both hierarchical and clan cultures (Deshpandé, Farley, & Webs, 1993). It is clear that business performance can vary based on organization culture, which is as we stated earlier, is linked with leadership style.

While examining the impact of the various leadership styles on culture, Bass (1985) notes that transactional leaders are more inclined to operate within the boundaries of the existing cultures, transformational leaders tend to function towards a more dynamic vision. Although some leaders may believe in the strict enforcement of the existing culture, many researchers believe that leaders must be open to explore and examine new values so that they can establish a culture that adapts to the diversity of today’s workforce. Likewise, it argues that leaders must be able to manage and value diversity by building the required skills that enable them to change or modify

some aspects of their culture in order to move the organization on towards better performance.

There has been a substantial amount of research on the link between leadership and performance as well as leadership and organizational culture, while the link between the three concepts; leadership, culture and performance has lacked significant attention. Hennessey suggest that leaders who demonstrate strong support and commitment towards organizational culture, promote work effectiveness and efficiency (See source: Ogbonna & Harris, 2000). Ogbonna & Harris examined the concept of leadership style, organizational culture and performance in UK companies, in which the results clearly demonstrated the associations between leadership styles and organizational performance with organizational culture being the mediating factor.

The above literature review sheds some light on each of the components of this study in particular the relationship between, leadership and performance and some light on the relationship between leadership and culture. As discussed earlier, the three subjects have been thoroughly examined individually and in different kinds of association, however, not so much the leadership, culture and performance linked together. This is also suggested by Ogbonna & Harris were he states, that many writers suggest that there is a link between the following:

- '(1) The style of a leader affects performance;
- (2) Certain types of culture are linked to superior performance, and
- (3) Culture and leadership are related, however, the precise nature and form of interaction between these three concepts is not fully understood.'

(cited in Ogbonna & Harris, 2000)

**Figure 4: The links between leadership style, organizational culture and organizational performance**



Adapted from (Ogbonna & Harris, 2000)

It is suggested that objectives supports the management perform their duties and leadership roles in the most effective and efficient way as argued by (London, 2001). We must remember that organizations comprises of people, who are diverse in every mean, language, culture, education, knowledge, talent, background and perspective of both life and jobs. These diverse workforces could easily attract conflicts in the work environment. Organization mission and objectives sets basis for the core desired goals, by establishing clear common grounds for individuals and reducing these variances of diverse workforces. These objectives allow the management to form a harmonized work environment and team that can perform within the organization.

Dubrin (2007), states that there are different classes of needs, and prioritizing those needs helps building a harmonised organization. Although, these needs may include physical, social and egoistic, job satisfaction is often associated with human need and condition. As leadership has always been linked to management as it involves directing, controlling to an extent the nature, degree, extent and staging of

activities and changes occurring within the organization. Management in business as defined in Wikipedia is “to coordinate the efforts of people to accomplish goals and objectives using available resources efficiently and effectively. Management comprises planning, organizing, staffing, leading or directing, and controlling an organization or initiative to accomplish a goal” (Wikipedia, 2014). It is imperative that the leadership of an organization should be given adequate attention, if the organization intends to achieve its objectives. The practice of leadership as it were, involves taking charge and streamlining the activities of organization members to ensure that the desired results are achieved. If you look at Figure 4, what Ogbonna & Harris (2000) are showing is that there is a clear link between leadership style and organizational performance if we establish an appropriate culture that supports and fits the main organizational objective and goal. The relationship between leadership and performance can also be found via the various factors of sharing knowledge, values, skills, and transparency on work results, as these factors develop the motivation and environmental psychological status of the individual that increases the performance. As stated by Taggar, Hackew & Saha (1999, p. 900) “Leadership has been linked to both individual performance within a team and to team performance (Borman, 1990; Cohen, Chang, & Ledford, 1997; Kenny & Zaccaro, 1983)”. Although the above literature does help drawing some conclusion on some of the relationships, further studies are required in this field to identify the relationship between organizational culture, leadership style, and performance.

## **CHAPTER 3: METHODOLOGY AND DIAGRAMIC MODEL OF THE HYPOTHESIS**

### **3. Introduction**

This research follows a survey design and analysis that is based on primary data generated through a structured questionnaire administered to a sample of respondents. The survey instrument used in data generation is the Multifactor Leadership Questionnaire (MLQ) developed by Bass (1985) in his study: 'Leadership and Performance beyond Expectations'. This is the most widely used instrument for measuring leadership styles and outcomes or effects. It comes in several different versions. The version used in this study is the popular MLQ (Leader and Rater version) developed by Bass & Avolio. The independent variables are the transformational and transactional leadership styles, while the dependent variables are performance measures for work quantity, work enthusiasm, work skills, readiness and innovation, where they will measure the different Arab leadership styles and the impact on employee performance in the selected small scale organizations.

The study was conducted using both quantitative and qualitative approaches. The survey was developed based on previous studies (Bass & Avolio, 2004; Glaser, Zamanou, & Hacker, 1987; Herscovitch & Meyer, 2002; Schrodt, 2002). This survey was divided into three sections, the first section was the respective "Arab leaders'" perception of their leadership style as well as the researcher's perception, the second section was on the employee perception of their leaders' leadership style, and finally, the third section was on the key factors that indicates employee performance, which were work quantity, work enthusiasm, work skills, readiness and innovation. The independent and dependent variables will assist in determining the relationship between a) Arab transformational and transactional leadership styles and linking them

to b) employee performance and c) accordingly leading to organisational performance.

Below is the diagrammatic model (Diagram 1) of the research question that was adapted from Kanji's model of management style and the interrelated forces that drive employees' performance. It simply illustrates how leadership style shapes organization culture and work environment, via the policies and procedures which mediate the relationship between employee and leaders and brings in the performance of both employee and organization.

**Model 1- Diagrammatic Model of Research Questions**

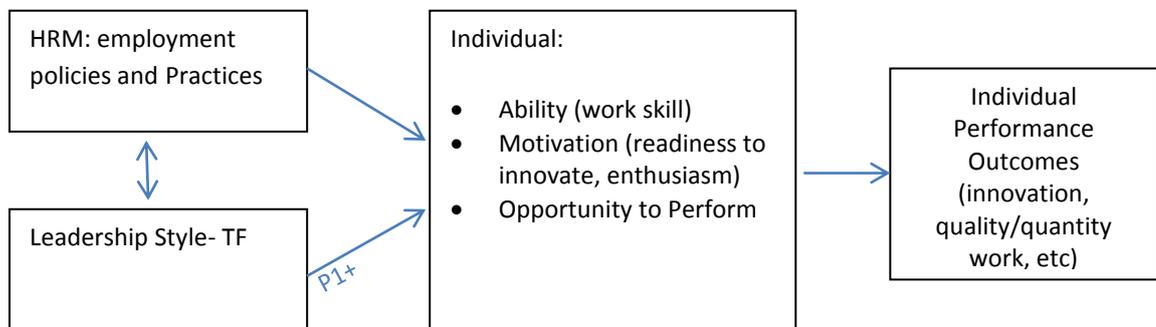


**Adapted from** (Kanji, 2008)

The next two Diagrams, adapted from Boxall & Purcell's AMO model, Diagram 2-3, illustrates the researcher's proposition of the relationship between the independent and dependent variables, explaining how the hypotheses were tested. As shown, the independent and dependant variables will assist in determining whether a) Arab leaders transformational leadership styles and its effect on employee

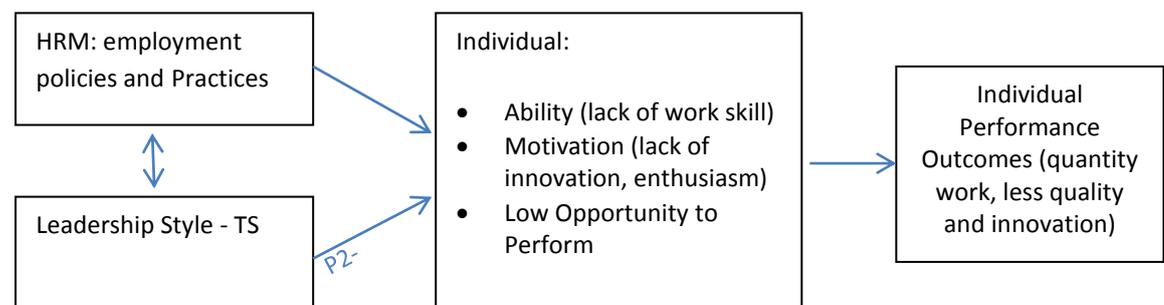
performance, b) Arab leaders transactional leadership styles and its effect on employee performance and c) accordingly leading to Arab leaders' leadership style shaping employees and organisational performance. Whereby the independent variables such as the transformational leadership builds the individuals' abilities/skills to work and brings in the motivation and enthusiasm to innovate by providing the necessary guidance and opportunity to help individuals perform (organization Model 2). Similarly Transactional leadership, would have a negative impact on individual performance, due to lack of guidance, support and motivations from the leaders, which might sometime increase work quantity, but would lack the quality type of work or even the enthusiasm and positive work environment within the organization Model 3.

**Model 2- Diagrammatic Model of Proposition 1**



Adapted from Boxall & Purcell (2008)

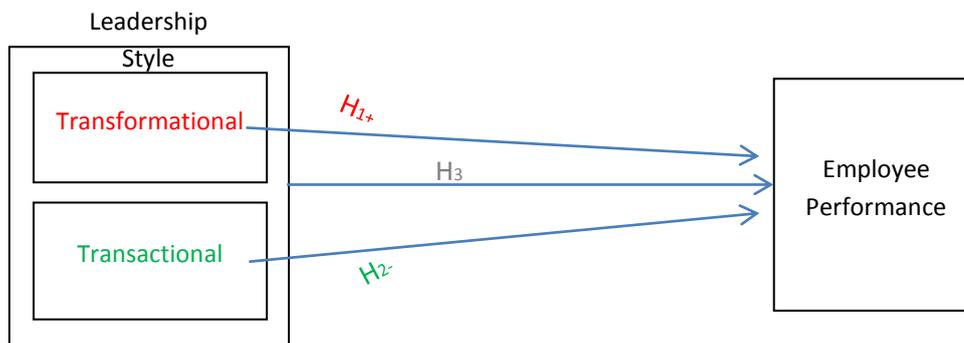
**Model 3- Diagrammatic Model of Proposition 2**



Adapted from Boxall & Purcell (2008)

Drawn from the above Proposition are our hypotheses, as shown in the diagram below each independent variable associate with the dependant variables of employees' performance in either positive or negative way. For instance, Hypothesis one indicates that Arab leaders transformational leadership style has a positive impact on employee performance, whereas transactional leadership style of Arab leaders has a negative impact on employees' overall performance. Accordingly, Arab leaders' leadership style has an impact positive or negative on the performance of employees within an organization.

#### Model 4- Diagrammatic Model of Hypothesis



### 3.1. Research Methods

This research study employed both qualitative and quantitative methods. Both of these research methods have their own advantages and made an important contribution to the research as data from both methods was needed. While qualitative methods provided insights into the underlying factors responsible for certain behaviour or characteristics (Sinkovics, Penz & Ghauri 2004) for which interviews methods were held, quantitative methods helps to provide exact and specific findings which can be statistically analysed to make specific interpretations. And for this method, a questionnaire survey was designed and distributed.

### **3.2. Qualitative Data**

The qualitative data was collected through expert interviews that provided insights into why the respondents identified themselves or wanted to identify themselves the way they did during the MLQ for leaders rating task.

There are many reasons to use this method. In qualitative research the number of measurement risks and concerns are on the higher side of difficulty to validate as compared to quantitative methods and a major reason that justifies a qualitative approach is the involvement of the researchers with the respondents and the research process as “qualitative researchers often become immersed in the life of respondents” (Creswell,1998). In most of the qualitative research implemented a lot of ethical concerns arise as the data depends on personal opinions and feelings that are gathered by the researcher. Also qualitative researchers, who design their studies and use this method, tend to use an interpretive paradigm, which uses trustworthiness as opposed to the conventional, positivistic criteria of internal and external validity, reliability, and objectivity (Denzin & Lincoln, 1994; Lincoln & Guba, 1985; Padgett, 1998). Denzin & Lincoln also suggested that these four factors can be considered to link trustworthiness of findings from qualitative research: credibility, transferability, dependability, and conformability. This research had a lot of emphasis on quality rather than quantity, as the objective was not to increase numbers but to become “saturated” with information on the topic (Padgett, 1998, p. 52). It can be concluded that when doing qualitative research such as interviews, the results are not found in the form of numbers or correlations but the data is built out of a large text-based data which is collected by the researcher.

### ***3.2.1. Expert Interview Schedule***

The expert interview schedule was especially designed for this research based on the review of the existing literature, while the questionnaire items focused on eliciting responses regarding the two main variables, examining the impact of leadership style on the employees' performance leading to Organizational performance. The interview comprised of ten questions which were focused on the topic. The interviews were held mostly via e-mail as both telephone calls and face-to-face interviews could not be held as the majority of the people were travelling or had prior appointments. Interviews take a longer time as the answers need to be elaborated in detail and around the point. I had twenty four questions in the initial design but then I had to reduce it to ten questions that were very specific to the topic (Appendix E).

### ***3.3. Quantitative Data***

For the purpose of measuring leadership styles of transformational and transactional leadership, the Multifactor Leadership Questionnaire (MLQ) (Bass & Avolio) was used. The MLQ survey research method has undergone various revisions and over time managed to set clear behavioural based items that achieve excellent validity and prediction of organizational performance. The MLQ concept has become the benchmark measure of transformational and transactional leadership. It provides a contrast between how the leaders perceive themselves versus how others perceive them. In this research the perceptions of the researcher and employees forms critical feedback to the leader and a measure based on which the researcher would provide a basis for growth and change. The quantitative data, collected through the administration of questionnaires enabled the provision of exact findings, and helped

the researcher to understand the degree of differences in perception caused by the independent variables under study. The results obtained through both quantitative and qualitative techniques were corroborated with each other and the final analysis based on findings was produced. As stated by Thomas (1997), this type of data is mainly numerical and it is very time consuming as data needs to be calculated statistically and then interpreted using software that will be able to break the data into tables and then be able to graphically represent that data. This is important for the researcher to do so that the readers are able to understand this numerical data and is the best form of data analysis for MLQ.

### ***3.3.1. Questionnaire Design***

On one hand, the researcher had the questionnaire for the leaders' self-rating that was made up to twenty four questions on top of the interview questions that was mentioned earlier. On the other hand, there was the employee questionnaire that contained up to forty one questions. The questionnaire was able to provide quantitative results that are easily analysed and interpreted. The reason for choosing questionnaires was the ease of designing it with an average of twenty four multiple choice questions and also for the reason that it would not occupy a lot of the participant's time to complete and return it. The fact that it is filled anonymously makes the data more reliable to work with increasing confidence that the data are not biased.

Therefore, questions in the questionnaire are those relating to Arab leadership style or behaviour and performance as measured by transformational and transactional behaviours and work quantity, work enthusiasm, work skills and readiness and innovation. These variables are a combination of Bass (1990) and House et al (1997)

as well as Suliman's (2001) proposals. This study operationalizes these variables to evaluate the effect of Arab leadership style or behaviour on the performance of small scale organizations of one holding company. In the MLQ, each independent variable is given equal weight. Each research statement has five potential responses, ranging from "Not at all" to "Frequently if not always" and is scaled from 0 to 4 for the leadership style and for the performance factors the ranging is from "strongly disagree" to "strongly agree" and is scaled from 0 to 4.

Copies of the questionnaire were distributed to the respondents with instructions on how to fill them out. Altogether, four entities participated under the survey, requesting a minimum of 50 responses of each and all were returned filled out completely, giving a return rate of 100%. The reason for the high return rate in some entities was that the researcher personally visited the entities and explained the requirement, assuring the participants that the responses will remain anonymous and was for the purpose of the researcher's study only. Also, the highly recognized support from top management was another factor for the high response rate. Although, due to the fact that the research was conducted in June, the responses gathered in the first round was not sufficient. So we needed to request more responses via emailing the human resources department, which was very supportive.

### ***3.3.2. Requirements of Questionnaire***

The study required a questionnaire especially designed to incorporate the variables this study was desired to address. The questionnaire designed for this research was a combination of two different methods used in previous studies conducted by various researchers. As the concept of the study was explored by many other researchers in the past, it gave the researcher confidence in the approach.

Although, the specified variables for this research might have not been used in relation to each other, the purpose of this research was not to find a new technique as much as to address the concept of the research topic.

Apart from the questionnaire, the respondents' availability will be an added issue to deal with. Cross cultural studies conducted earlier have not been easy given the nature of the research and the vast number of issues and cultural differences involved (Tan, McCullough & Teoh 1987). In this study, the requirement of respondent time will need to be paid special attention to.

After the questionnaire has been administered to the respondents, the data obtained was examined statistically and the interview responses were also content analysed. The results were presented in the form of graphs by using SPSS and MS-Excel and interpreted along with presenting the limitations of the results and suggestions for future research.

### ***3.3.3. Data Collection***

The data was collected through the standardized questionnaire instrument that was composed of two parts. The first part measures the demographics which include age, gender, time spent in the current position and total tenure. The second part measures both the independent and dependent variables which include organization performance, which is hypothesized to be influenced by leadership styles and its impact on employee performance. The researcher examined the independent variables, which is leadership style, using two methods (qualitative and quantitative). Using three categories to examine, first, the researcher personally interviewed the selected leaders for the research. Second, the researcher used Bass & Avolio MLQ Leaders Questionnaire version for leaders to self-rate their leadership style and the

MLQ questionnaire rater's version, was used for requesting employees to rate their leaders. So in addition to the interviews, leadership styles (transactional and transformational) were also measured by a survey developed by Bass & Avolio; that was designed to describe leadership style as perceived by the leader and by their employees. The researcher along with the HR practitioner's recommendations indicated the person (leader) that needed to be rated and those who were required to complete the "leader rating" or "employees rating" version of the survey. Finally, with regard to measuring the employee's performance the researcher used question items designed by Suliman (2001) and attached it as section two under the employees' rating questionnaires.

### **3.4. Process of the Sample**

Different people whom the researcher knew were contacted via phone or via emails in UAE to distribute the questionnaire. Once the questionnaires were approved by the entity's HR's representative, the researcher visited the entities personally and explained the purpose of the questionnaire. Around 400 people were contacted in two months' time and out of the 400 only 250 responded. Some of the questionnaires around 30, were not completed, therefore, they had to be removed.

The questionnaires and the interviews were sent via e-mail in June and early July and the respondents were requested to answer in one week's time due to the submission deadline for this thesis which was the second week of November. The questionnaire and the interviews were sent to the human resources department, who organised the session for the researcher. Later the researcher met with people of all nationalities under one group/holding company, and explained what was required to get the surveys completed. This approach was better as it gave the employees

confidence that their responses were not tracked and not intended for any official use by the employer. The fact that June and July months are known to be used for summer holidays, most of the people were on leave and there was a delay in getting the number of survey returns required for the research. Hence, a few questionnaires were sent via email later in October, the questionnaire sent via e-mail was accompanied with a covering letter so the respondents were aware of what they should do.

#### ***3.4.1. Questionnaire Content***

The validity and reliability of the questionnaire content depended on the question items being adhered to, keeping in mind that the UAE is a very modern and outgoing country. Direct questions were designed to answer two main research questions (Appendix E):

1. Arab Leaders leadership style;
2. Leadership style as predictors toward organizational culture and employee performance.

#### ***3.4.2. Interview Content***

An effective and efficient way to collect and gather accurate qualitative data is by using the method of interviewing. Interviews help collect data that are interesting for the research and play a vital role in addressing some key questions and issues. According to Opdenakker (2006), there are four main ways of conducting an interview, which are: Face-to-Face, Live Messenger (MSN, Google, Skype, etc.), Telephone and E-mail. The table given below shows four methods of interview divided as per the synchronous and asynchronous communication in time and place.

**Table# 3.1: The Four Interview Methods**

<b>Type of Communication</b>	<b>Time</b>	<b>Place</b>
Synchronous communication	Face-to-Face, Live Messenger (MSN, Google, Skype, etc.), Telephone	Face-to-Face,
Asynchronous communication	E-mail	E-mail Live Messenger (MSN, Google, Skype, etc.), Telephone

**Adapted from:** Opdenakker (2006, p. 2)

Interviews that were sent by e-mail also known as e-mail interviews do have some advantages which are very basic. E-mail interviews as stated by Brampton & Colton (2002, paragraph 25) "provides a limited register for communication" which is true in many ways and that is why a lot of researchers prefer face-to-face interviews as they are held in reality and the researchers are able to know the answer on the spot as the interviewees' expressions are observed. For this research, the questions used for the interview were straightforward and there was no intention to frustrate any interviewee that was willing to help. In addition to that, in this research as mentioned before I was able to use a combination of face-to-face and e-mail interviews to obtain the data as rapidly as possible, based on the individual's availability. Another major reason for not conducting all interviews face-to-face and on Live messenger was due to the lack of respondents present in all entities of the holding company as it was during the summer and most of them travelled and did not want to be disturbed. Additionally, telephone interviews were somewhat hard to conduct since I could not get hold of many people and also the fact that the interviewees were not native

English speakers which could have led to miscommunication and the purpose of telephone interview would not have been met.

There were various issues faced due to the nature of the asynchronous communication of time there were delays in the responses for which reminders were sent to people to send the answers. Therefore, choosing to e-mail the interview was arguably the most appropriate decision since this helped with collecting responses quicker than the face-to-face method. The interview questions were simple and straightforward and specific to the leadership styles used in the companies. All ten questions were concise so that respondents were likely to have answers as soon as they read the questions. Each question was different and none of the questions were repeated. These facts ensured that the interviewees would be able to answer the questions themselves and remain motivated to do so until the end.

### **3.5. Content Analysis**

As stated by Krippendorff (1980), “there are six basic questions that must be answered in a content analysis which are given below:

- 1) Which data are analysed?
- 2) How are they defined?
- 3) What is the population from which they are drawn?
- 4) What is the context relative to which the data are analysed?
- 5) What are the boundaries of the analysis?
- 6) What is the target of the inferences?

The primary data that needed to be gathered was only possible when a proper and professional questionnaire was designed and distributed to the respondents in all entities and collected back.

It is very important to mention that the analysis of the questionnaires is very different from the analysis of the interviews and these were done separately as data from interviews were all qualitative while data from questionnaires were all quantitative.

### **3.6. SPSS Analysis**

Data present in the form of quantitative research that is collected when using questionnaires to collect data requires a specialised software program known as SPSS. SPSS, known as the Statistical Package for the Social Sciences, and is used by almost every university student and universities to record data into the program in order to get the required statistical analysis. It is a very useful and important collection of software programs as it is able to provide some tests that help to validate the statistical significance of the results. This research does not involve any arithmetical or numerical data with a specific rate or equations, but only categorical which are nominal in nature. Due to this reason only non-parametric tests are more specific, and the best way to study the correlation between two variables is to use the Pearson's correlation test. This is one of the most valid tests for the analysis of ordinal data as it compares the linear relationship between two variables. To test for independence, Pearson's Chi-square can be used for categorical (i.e. ordinal or nominal) data, it compares the frequencies to the expected frequencies for each cell in the table.

The data was then fed into a tabular format and then these tables were exported to MS-Excel software where the graphs were interpreted. Each graph represents the data that was fed into the table.

### **3.7. Difficulties and Mitigation Methods**

The main difficulties in this task rose when obtaining the responses from the desired number of men and women in each of the four categories of respondents. The number of questionnaires likely to be invalid/ incomplete or wasted contributed to the rising costs of conducting this research. Also the use of both quantitative and qualitative data made this entire research study a relatively time-consuming exercise.

To mitigate this difficulty, incidental sampling was used; the human resources departments were contacted again through e-mails to provide further responses to fill in the gaps of number of respondents for the research.

### **3.8. Professional, Legal and Ethical Issues**

The nature of the research being what it is, that is the evaluation of people's perception of their leaders' style/behaviour by male and female respondents across different cultures will not involve any professional or legal issues. Also respondents answered questions in their private capacity and only willing respondents were requested to respond to the questionnaire.

However all research has an ethical perspective and ethical considerations such as giving the respondents complete information and preserving the confidentiality of their responses will be certainly followed. The ethical considerations have been considered to be of great importance as in all research work.

The next chapter will provide detailed analysis of the research findings, interpreting the data collected using SPSS software and then presenting them in a tabular and graphical form by using MS-Excel software.

## **CHAPTER 4: MAIN FINDINGS AND DATA ANALYSIS**

### **4. Introduction**

The previous chapters detailed the methodology of the research and reviewed the literature in relation to leadership style, culture and performance of both organization and employees. The concept presented in the previous chapters is tested by investigating the relationship between Arab leadership style and employee performance in four small scale entities of a holding organization. This chapter will provide descriptive statistics of the data collected, as well as the results of the reliability analysis.

### **4.1 Leaders Data Analysis**

#### ***4.1.1 Qualitative Data***

The four selected participants for this research are from the top management of the holding companies, who are not only in the position of Chief Operating Officers of their respective entities but also are board members of several other entities/ organizations. Set of questions were formulated to understand these Arab leaders leadership style, and test them as predictors driving employee's performance.

Based on the responses we received, it is noticed that the majority of respondents has some basic understanding and knowledge of the term leadership. They haven't been direct responses as transformational or transactional leadership style; however, we were able to derive leadership style from the responses. For example, as stated by the organization A CEO "I believe in leading by example" and "leaders are individuals who can effectively inspire their teams" these indicates behaviours of transformational leaders, with tendency of both idealized and inspirational type of behaviours. He also demonstrated a few individualised leadership

behaviours, as he stated “employee engagement is very essential” and his values of integrity, accountability and empowerment all present’s optimistic visions such as in transformational leaders style. He also mentioned importance of building the talent pool and identifying potential future leaders.

The B organisation CEO had similar views as the A organisation CEO, with tendency to have more of individualised and team spirit behaviours. As stated under his leadership style, “one team all are responsible for each other”, most of the statements by him included terms such as, team, inspire, creative, potential, feedback. He has an open door policy and asserted his belief in open communication.

Unlike the previous two CEOs, the C organisation Chief Operating Officer indicated a mix of transformational and transactional behaviours. On one hand he showed some idealized and individualised attributes, such as delegation, coaching and trust. At the same time, he seemed very results-oriented, as his success measures are, overall team achievement. On the other hand, he indicated some constructive and corrective behaviour. For instance, he believes in meeting employees when a problem occurs or assistance is required. Also he believes in setting clear standards to meet plans as well as compliance which then get evaluated with the overall outcomes of employee’s performance.

The D organisation entity CEO, showed more transactional leadership behaviour. Although he identified his approach as trust and empowerment, the fact that he didn’t necessarily see the need to meet his subordinates except when needed as they are provided with necessary guidance and tools to function accordingly, indicated management-by-exception behaviour of transactional leadership. Understanding the nature of the Chief Operating Officer’s job, he tends to travel often from one operating country to another, which makes it difficult to have the emotional

touch of transformational leadership behaviour with the employees. Whereby, major communications takes place via the various available technologies (i.e. phone, emails, blackberry and so forth).

Each of the above leaders had indicated different behaviours under each leadership style, giving us room to evaluate the meaning of the data collected in a more effective manner.

#### ***4.1.2 Summary of the Data Collected***

The data is collected from the four entity's leaders; the average age of participants is 46 being 100% male. As presented in Table 4.1 of the leader's frequency, the majority of leaders believe they have more of the transformational behaviour than the transactional leadership style.

**Table 4.1: Descriptive Statistics of Leaders Ratings**

	N	Minimum	Maximum	Mean	Std. Deviation
Idealized	4	2.67	4.00	3.1667	.57735
Individualized	4	1.67	2.67	2.2500	.41944
Inspirational	4	1.33	2.67	1.9167	.56928
Intellectual	4	2.00	2.67	2.3333	.27217
Contingent Reward	4	.00	.33	.0833	.16667
Active	4	3.00	4.00	3.2500	.50000
Passive	4	2.00	2.75	2.3750	.32275
Valid N (listwise)	4				

Each behavior had set of three attributes that would indicate the specified behavior for the leader. The reliability test showed reliable data for two leadership behaviours (idealized, individualized) and inspirational behaviours being average (Cronbach's alpha value is 0.686), but under the commonly applied .7 or .8 thresholds for reliability, as shown below in Table 4.2. Initially the first run of reliability test did not indicate reliable result for the individualised behaviour, for the second run one of

the behaviours had to be removed to reach a highly reliable result. Whereas the Intellectual leadership behaviour showed a weak reliability result (Cronbach's alpha value is 0.421).

**Table 4.2: The reliability result for transformational behaviours factors of leaders rating**

Leadership Behaviours	Standard Deviation	Cronbach's Alpha
Transformational – Idealized	3	0.917
Transformational - Individualized	2	0.800
Transformational – Inspirational	3	0.686
Transformational – Intellectual	2	0.421

**Table 4.3: The Reliability results for Transactional behaviours factors of leaders rating**

Leadership Behaviours	Standard Deviation	Cronbach's Alpha
Transactional - Contingent Reward	2	0.727
Transactional - Management-by-exception (active)	4	1.00
Transactional - Management-by-exception (passive)	3	0.500

The data also showed high reliability for active management behaviour at (Cronbach alpha value is 1.00) and contingent reward behaviour being (Cronbach alpha value is 0.727) under transactional leadership style of Arab leaders as shown above in Table 4.3.

## 4.2 Employees Rating Data Analysis

### 4.2.1 Demographic Summary

The data is collected from four different line of business under one holding company. Below is a combined demographic summary presented in Table 4.4, which shows that the median age of the participants was between 25-35 years, 55.7 percent

of which are female, majority being from the middle level of management, and has job tenure of minimum two to seven years. Also as shown the educational qualification of the participants was between higher diploma and a bachelor degree. Also having somewhat a balanced nationality ratio gives us higher reliability that the respondent weren't biased toward their leaders. In general the collected data shown in Table 4.4 below indicate that generally we have a diverse set of backgrounds covering a wide range of age group, educational background and nationality, total statistics can be found in Appendix A.

**Table 4.4 Demographic**

General Info	Gender	Marital status	Education	Age	Organizational Tenure	Job Tenure	Job Level	Nationality	Entity
Male	94								
Female	118								
Married		112							
Unmarried		100							
Less than high school			6						
High School			25						
Higher Diploma			80						
Bachelor			55						
Masters & above			46						
Less than 25				5					
25 to 35				78					
36 to 46				58					
47 to 57				65					
58 & above				6					
one year or less					13				
2 to 7 years					98				
8 to 13 years					87				
14 to 19 years					14				
20 years or above					0				
one year or less						12			
2 to 7 years						105			
8 to 13 years						87			
14 to 19 years						8			
20 years or above						0			
First level							21		
Middle level							108		
Lower level							83		
UAE National								98	
Non UAE National								114	
Org- A									65
Org- B									50
Org- C									50
Org- D									47
Total	212	212	212	212	212	212	212	212	212

#### 4.2.2 Reliability

A Reliability test was conducted to estimate the reliability of our data from the MLQ test. A total of seven leadership factors were used as demonstrated in both Table 4.6 and 4.7 of transactional and transformational leadership behaviours. As mentioned earlier, four leaders were involved in the survey and 212 participants of mixture of different nationalities, ages and genders.

##### 4.2.2.1 Leadership independent variable reliability:

The results in Table 4.5 below indicate that the MLQ factors generally are reliable, for details of result refer to Appendix B. It is noted that there are different leadership behaviours in Arab leaders as per the result of the collected data. Although as shown below it seems that there are more transactional leadership style in Arab leaders (Cronbach's alpha value is 0.938) than the transformational leadership style, the Cronbach's alpha value of Inspirational and Intellectual leadership behaviours are found to be highly reliable as is shown in Table 4.6.

**Table 4.5: The reliability result for both transformational and transactional factors**

Leadership Factors	Standard Deviation	Cronbach's Alpha
Transformational Leadership	12	0.885
Transactional Leadership	12	0.938

**Table 4.6: The reliability result for transformational behaviours factors**

Leadership Behaviours	Standard Deviation	Cronbach's Alpha
Transformational - Idealized	3	0.68
Transformational - Individualized	3	0.694
Transformational - Inspirational	2	0.872
Transformational - Intellectual	3	0.782

Furthermore, the reliability test for transactional leadership behaviour showed highly reliable results for two factors, highest for Transactional - Management-by-exception (active) being (Cronbach's alpha value is 0.958) as shown in Table 4.7.

**Table 4.7: The reliability result for transactional behaviours factors**

Leadership Behaviours	Standard Deviation	Cronbach's Alpha
Transactional - Contingent Reward	3	0.689
Transactional - Management-by-exception (active)	4	0.958
Transactional - Management-by-exception (passive)	4	0.933

#### ***4.2.2.2 Performance dependent variable reliability:***

Similarly as illustrated in Table 4.8, the reliability test was conducted to estimate the reliability of the employee performance factors. As illustrated below, the Cronbach's alpha reliability coefficients for the four factors of performance can be considered (i.e. quantity of work, work enthusiasm, work skills and readiness to innovation) all are higher than 0.8 which indicates that it is reliable.

**Table 4.8: The reliability test for both work performance factors**

Employee Performance Factors	No of Items	Cronbach's Alpha
Quantity of Work	4	0.81
Work enthusiasm	4	0.983
Work Skills	4	0.955
Readiness to innovate	5	0.874

#### ***4.2.3 Correlation***

New variables has been generated using the function "Compute" to calculate the values for the transactional and transformational variables which are composed out of several question items. Then the correlation analysis has been run on the computed variables for each leadership behaviour. The empirical results of the

research show that there is a high relationship between Arab transformational leaders and the employees' performance. Table 4.9 presents the correlations among the independent variables of leadership style and the dependent variables of employee performance. As shown, there is a significant correlation between all four transformational leadership styles and performance factors, except for inspirational leadership and work skills. Having said that, there is a significant association between the other three leadership behaviours and work skills at (.196\*\*; .272\*\*; .216\*\*). Similarly significant correlations were found between the idealized and individualized behaviours and work enthusiasm, at 0.533\*\* and 0.436\*\*. This provides support for our first hypothesis that there is a positive relationship between Arab leader's transformational leadership and employee's performance.

From Table 4.9 it is also evident that there is a significant negative relationship between transactional leadership (management-by-exception passive) and all four employee performance variables. There is also a negative relationship between transactional leadership style (management-by-exception active) which is significant at the 1% level of confidence for three of the performance variables and at the 5% level for work skills. Interestingly, transactional leadership (contingent reward) is also significantly associated for 3 of the performance variables with only quantity of work positive (but non-significant).

**Table 4.9: The correlation between the Transformational leadership behaviours and performance**

		TR - Idealized	TR - Individualized	TR - Inspirational	TR - Intellectual	TS - Contingent Reward	TS - Management-by-exception (active)	TS - Management-by-exception (passive)	Quantity of Work	Work Enthusiasm	Work Skills	Readiness to Innovate
Transformational - Idealized	Pearson Correlation											
	Sig. (2-tailed)											
	N	212										
Transformational - Individualized	Pearson Correlation	.775**										
	Sig. (2-tailed)	.000										
	N	212	212									
Transformational - Inspirational	Pearson Correlation	.458**	.439**									
	Sig. (2-tailed)	.000	.000									
	N	212	212	212								
Transformational - Intellectual	Pearson Correlation	.522**	.558**	.871**								
	Sig. (2-tailed)	.000	.000	.000								
	N	212	212	212	212							
Transactional - Contingent Reward	Pearson Correlation	-.039	-.125	-.073	-.069							
	Sig. (2-tailed)	.570	.068	.291	.319							
	N	212	212	212	212	212						
Transactional - Management-by-exception (active)	Pearson Correlation	-.782**	-.695**	-.519**	-.549**	.307**						
	Sig. (2-tailed)	.000	.000	.000	.000	.000						
	N	212	212	212	212	212	212					
Transactional - Management-by-exception (passive)	Pearson Correlation	-.806**	-.703**	-.510**	-.538**	.271**	.946**					
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000					
	N	212	212	212	212	212	212	212				
Quantity of Work	Pearson Correlation	.509**	.565**	.573**	.700**	.047	-.490**	-.480**				
	Sig. (2-tailed)	.000	.000	.000	.000	.495	.000	.000				
	N	212	212	212	212	212	212	212	212			
Work Enthusiasm	Pearson Correlation	.533**	.436**	.349**	.354**	-.139*	-.587**	-.615**	.336**			
	Sig. (2-tailed)	.000	.000	.000	.000	.043	.000	.000	.000			
	N	212	212	212	212	212	212	212	212	212		
Work Skills	Pearson Correlation	.196**	.272**	.129	.216**	-.212**	-.164*	-.212**	.346**	.016		
	Sig. (2-tailed)	.004	.000	.061	.002	.002	.017	.002	.000	.822		
	N	212	212	212	212	212	212	212	212	212	212	
Readiness to Innovate	Pearson Correlation	.532**	.475**	.526**	.597**	-.135*	-.630**	-.622**	.489**	.375**	.174*	
	Sig. (2-tailed)	.000	.000	.000	.000	.049	.000	.000	.000	.000	.011	
	N	212	212	212	212	212	212	212	212	212	212	212

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

#### 4.2.4. Regression

The study aimed at investigating the relationship between employee performance and Arab leadership in four separate entities of one holding company. First, the function “COMPUTE” was generated to calculate the values for both dependent and independent variables which are composed out of several question items to form one set for each tested variable. Then, a factor analysis was run for the computed transformational, transaction and performance variables. Accordingly, the below component analysis was generated, which indicated three factor analysis for each of the variables.

**Table 4.10: The Rotated Component Matrix**

	Component		
	1	2	3
Transformational – Idealized	.775	.396	-.033
Transformational – Individualized	.647	.458	-.172
Transformational – Inspirational	.318	.780	.031
Transformational – Intellectual	.328	.855	-.035
Transactional - Contingent Reward	-.303	.238	.743
Transactional - Management-by-exception (active)	-.874	-.311	.188
Transactional - Management-by-exception (passive)	-.876	-.314	.193
Quantity of Work	.249	.815	-.098
Work Enthusiasm	.762	.109	.080
Work Skills	-.104	.385	-.777
Readiness to Innovate	.522	.518	-.097

**Extraction Method: Principal Component Analysis.**

**Rotation Method: Varimax with Kaiser Normalization.**

**a. Rotation converged in 6 iterations.**

From the above table we were able to draw the following interpretation to evaluate and support our regression analysis. As shown in Table 4.11, we first named each component based on the fact that it presented. Accordingly, component one was

named Individualized Vision, as it represented the two transformational variables that indicated a highly positive relationship between idealized .775 and individualized .647 leadership behaviors and work enthusiasm and employees readiness to innovate. Whereas, both active and passive transactional leadership style shown significantly negative relationship, at -.874 and -.876, with employee performance. The second component was titled Intellectual Inspiration, due to the fact that a positive relationship was found between inspirational .780 and intellectual .855 leadership behaviors and quantity of work and readiness to innovate. Finally, the third component that was a surprising result, shown that there is a negative relationship between contingent reward behavior and employees work skills therefore this factor was named Readiness to Learn.

**Table 4.11: The Rotated Component Tested Factors Matrix**

Factor Analysis	Component		
	Individualized Vision	Intellectual Inspiration	Readiness to Learn New Skills
Transformational – Idealized	.775		
Transformational – Individualized	.647		
Transformational – Inspirational		.780	
Transformational – Intellectual		.855	
Transactional - Contingent Reward			.743
Transactional - Management-by-exception (active)	-.874		
Transactional - Management-by-exception (passive)	-.876		
Quantity of Work		.815	
Work Enthusiasm	.762		
Work Skills			-.777
Readiness to Innovate	.522	.518	

Extraction Method: Principal Component Analysis.  
 Rotation Method: Varimax with Kaiser Normalization.  
 a. Rotation converged in 6 iterations.

Finally for further clarification on the relationship between Arab leadership style and employee's work performance two regression tests were conducted as represented in Table 4.12. The regression analysis was tested against the previously presented factor analysis. Both linear regression and logistic regression were used to

establish a relationship between the dependent and independent variables. Linear regression test is useful in estimating the resultant dependent variable in relation to independent variables changes, whereas, logistic or binary logistic regression is used to ascertain the probability of an event, which is captured in binary format.

**Table 4.12: Linear Regression and Binary Logistic Regression Matrix**

Regression	Component			
	Quantity of Work	Work Enthusiasm	Work Skills	Readiness to Innovate
Transformational - Idealized		*		**
Transformational - Individualized	**	*	**	*
Transformational - Inspirational		*	*	
Transformational - Intellectual	*	*	*	*
Transactional - Contingent Reward				
Transactional - Management-by-exception (active)				*
Transactional - Management-by-exception (passive)				

\* indicates Linear Regression

\* indicates Binary Logistic Regression

\*\* indicates combination of Linear Regression and Binary Logistic Regression

The above table shows a combination of linear and logistic regression matrix, designed keeping in mind the three factor analysis produced earlier. The regression analysis indicated a significant relationship between both individualised and idealised leadership skills and employees work enthusiasm as well as their readiness to innovate. This supports our first factor, Individualized vision, where both linear and logistic regressions indicate significant relationship between idealized leadership behaviours and the ability of employees to maintain enthusiasm and perform in an innovative manner. In fact the regression analysis also, indicated highly significant relationship between individualised behaviour of transformational leadership and the employees' quantity of work. Second factor, intellectual inspiration, has also shown a positive relationship with employees work skills, general enthusiasm and their readiness to innovate. Finally the third factor, readiness to learn, has not been

satisfied, although the factor analysis shows highly significant relation between employees readiness to learn new skills if it was associated with reward.

Multiple regression analysis was used to examine the three main factors established from the factor analysis as shown in Table 4.11, this should also supports our three main hypotheses. Below are the results of the regression analyses as demonstrated in Tables 4.13 to 4.18.

**Table 4.13 – Regression Analysis between Individualized Idealized Leadership Style and Readiness to innovate**

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.532 <sup>a</sup>	.283	.280	.432	.283	83.014	1	210	.000

a. Predictors: (Constant), Transformational - Idealized

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.499	1	15.499	83.014	.000 <sup>b</sup>
	Residual	39.209	210	.187		
	Total	54.708	211			

a. Dependent Variable: Readiness to Innovate

b. Predictors: (Constant), Transformational - Idealized

Coefficients <sup>a</sup>									
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
		B	Std. Error	Beta			Zero-order	Partial	Part
1	(Constant)	-.028	.313		-.088	.930			
	Transformational - Idealized	.992	.109	.532	9.111	.000	.532	.532	.532

a. Dependent Variable: Readiness to Innovate

**Table 4.14 – Regression Analysis between Individualized Idealized Leadership Style and Work Enthusiasm**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.533 <sup>a</sup>	.284	.281	.402	.284	83.309	1	210	.000

a. Predictors: (Constant), Transformational - Idealized

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.441	1	13.441	83.309	.000 <sup>b</sup>
	Residual	33.880	210	.161		
	Total	47.321	211			

a. Dependent Variable: Work Enthusiasm

b. Predictors: (Constant), Transformational - Idealized

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
		B	Std. Error	Beta			Zero-order	Partial	Part
1	Transformational - Idealized	.924	.101	.533	9.127	.000	.533	.533	.533

a. Dependent Variable: Work Enthusiasm

**Excluded Variables<sup>a</sup>**

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics
						Tolerance
1	Transformational - Individualized	.057 <sup>b</sup>	.619	.536	.043	.400

a. Dependent Variable: Work Enthusiasm

b. Predictors in the Model: (Constant), Transformational - Idealized

**Table 4.15 – Regression Analysis between Management-by-exception (Active/Passive) Leadership Style and Work Enthusiasm**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.615 <sup>a</sup>	.378	.376	.374	.378	127.875	1	210	.000

a. Predictors: (Constant), Transactional - Management-by-exception (passive)

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.909	1	17.909	127.875	.000 <sup>b</sup>
	Residual	29.411	210	.140		
	Total	47.321	211			

a. Dependent Variable: Work Enthusiasm

b. Predictors: (Constant), Transactional - Management-by-exception (passive)

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
		B	Std. Error	Beta			Zero-order	Partial	Part
		1	(Constant)	3.161	.032				
1	Transactional - Management-by-exception (passive)	-.265	.023	-.615	-11.308	.000	-.615	-.615	-.615

a. Dependent Variable: Work Enthusiasm

**Excluded Variables<sup>a</sup>**

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics
						Tolerance
1	Transactional - Management-by-exception (active)	-.045b	-.269	.789	-.019	.104

a. Dependent Variable: Work Enthusiasm

b. Predictors in the Model: (Constant), Transactional - Management-by-exception (passive)

**Table 4.16 – Regression Analysis between Management-by-exception (Active/Passive) Leadership Style and Innovation**

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.630 <sup>a</sup>	.397	.394	.396	.397	138.060	1	210	.000

a. Predictors: (Constant), Transactional - Management-by-exception (active)

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	21.700	1	21.700	138.060	.000 <sup>b</sup>
	Residual	33.008	210	.157		
	Total	54.708	211			

a. Dependent Variable: Readiness to Innovate

b. Predictors: (Constant), Transactional - Management-by-exception (active)

Coefficients <sup>a</sup>									
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
		B	Std. Error	Beta			Zero-order	Partial	Part
		1	(Constant)	3.007	.032		93.762	.000	
1	Transactional - Management-by-exception (active)	-.276	.023	-.630	-11.750	.000	-.630	-.630	-.630

a. Dependent Variable: Readiness to Innovate

**Table 4.17 – Regression Analysis between Intellectual Inspiration Leadership Style and Quantity of Work**

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.700 <sup>a</sup>	.490	.487	.280	.490	201.517	1	210	.000

a. Predictors: (Constant), Transformational - Intellectual

A CRITICAL STUDY OF THE IMPACT OF ARAB LEADERSHIP STYLES ON ORGANISATIONAL & EMPLOYEE'S PERFORMANCE

ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.850	1	15.850	201.517	.000 <sup>b</sup>
	Residual	16.517	210	.079		
	Total	32.366	211			

a. Dependent Variable: Quantity of Work

b. Predictors: (Constant), Transformational - Intellectual

Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
		B	Std. Error	Beta			Zero-order	Partial	Part
1	(Constant)	.638	.153		4.176	.000			
	Transformational - Intellectual	.699	.049	.700	14.196	.000	.700	.700	.700

a. Dependent Variable: Quantity of Work

Excluded Variables<sup>a</sup>

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics
						Tolerance
1	Transformational - Inspirational	-.151 <sup>b</sup>	-1.507	.133	-.104	.242

a. Dependent Variable: Quantity of Work

b. Predictors in the Model: (Constant), Transformational - Intellectual

**Table 4.18 – Regression Analysis between Intellectual Inspiration Leadership Style and Readiness to innovate**

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.597 <sup>a</sup>	.356	.353	.410	.356	116.009	1	210	.000

a. Predictors: (Constant), Transformational - Intellectual

ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.468	1	19.468	116.009	.000 <sup>b</sup>
	Residual	35.240	210	.168		
	Total	54.708	211			

a. Dependent Variable: Readiness to Innovate

b. Predictors: (Constant), Transformational - Intellectual

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
		B	Std. Error	Beta			Zero-order	Partial	Part
1	Transformational - Intellectual	.774	.072	.597	10.771	.000	.597	.597	.597

a. Dependent Variable: Readiness to Innovate

**Table 4.19 – Regression Analysis between Contingent Reward Leadership Style and Work Skills**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.212 <sup>a</sup>	.045	.040	.348	.045	9.860	1	210	.002

a. Predictors: (Constant), Transactional - Contingent Reward

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.194	1	1.194	9.860	.002 <sup>b</sup>
	Residual	25.435	210	.121		
	Total	26.630	211			

a. Dependent Variable: Work Skills

b. Predictors: (Constant), Transactional - Contingent Reward

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
		B	Std. Error	Beta			Zero-order	Partial	Part
1	Transactional - Contingent Reward	-.261	.083	-.212	-3.140	.002	-.212	-.212	-.212

a. Dependent Variable: Work Skills

Three scenarios were designed to support our three main research hypotheses; based on which the multiple regression test was conducted. Below are the three Hypotheses:

**Hypothesis1.** There is a positive relationship between Arab leader transformational leadership and employee performance.

**Hypothesis2.** There is a negative relationship between Arab leader transactional leadership and employee performance.

**Hypothesis3.** Arab leadership styles (transformational and transactional) impact the employee's performance.

The multiple regression analysis test was conducted in support of our previously conducted correlation test as well as to help us predict the accuracy of our hypotheses. Leadership styles were used as the independent variables whereas the employee performance was the dependant variables. As shown in Table 4.13, the first table provided is the summary of the model that gives us the value of R and R<sup>2</sup> for the model. As shown R value is 53% and the value of Adjusted R<sup>2</sup> is 28%, which tells us that idealized style of leadership can account for 28% of the variation in employee's readiness to innovate. Whereas the R<sup>2</sup> value is 28.3%, which implies a variance of only 0.3%. Next is the ANOVA table output, this reports an analysis of variance between the dependant and independent variables (Fields, 2013). For this test, F value is 83.014 (p<0.001), which indicates significant prediction of positive relationship between idealized leadership and employee's readiness to innovate. This is also supported by the standardized Coefficients of B value of 0.532(p<0.001) shown in the coefficients table, which tells us that the regression model overall predict a significant positive relationship between some of the idealised leadership style and employee's ability to innovate.

Table 4.14 provides the predicted relationship between Individualized Idealized Leadership Style and Work Enthusiasm. The model has excluded the individualised leadership style from the independent variables as there was weaker partial correlation with employee's work enthusiasm at 0.043 and a larger collinearity tolerance at 0.400 with the idealised independent variable. Therefore the result of the multiple regression analysis as shown in the model summary shows that 53.3% of employee's work enthusiasm is due to idealised leadership style in Arab leaders. With an F Change value of 83.309 ( $p < 0.001$ ) indicating a significantly high relationship between the dependent and independent variables. Furthermore, the coefficients results showed a Beta value of .924, indicating a positive relationship between idealised style and employee's work enthusiasm. Moreover, the idealised leadership,  $t(209) = .924$ ,  $p < 0.001$ , indicates a significant predictor of employee's work enthusiasm ( $212 - 2 - 1 = 209$ ) with a significant positive contribution of a Beta value of .533 ( $p < 0.001$ ). The above two tests provides a support to our H1, indicating a significant relationship between some of our transformational leadership styles and employee performance.

The multiple regression analysis presented in Table 4.15 between management-by-exception (active/passive) leadership style and work enthusiasm indicated significant relationship between the dependant and independent variables at R value of 61.5%. Furthermore, Adjusted R<sup>2</sup> value of 37.6%, tells us that management-by-exception (active/passive) styles of leadership can account for approximate 38% of employee's work enthusiasm with a variance of only 0.2% less in the outcome ( $37.8\% - 37.6\% = 0.2\%$ ). It has also reported an F-ratio of 127.875 ( $p < 0.001$ ) predicting a significant relationship between transactional leadership style and employees work enthusiasm. This findings are consistent with the Pearson

correlation test which found that there is a significantly negative relationship between both active and passive leadership styles (-.587\*\*, -.615\*\*) and employees work enthusiasm. It is also important to report that the regression test excluded the active management style due to the high collinearity among the independent variables (.946\*\*) as reported earlier in the correlation test.

Another multiple regression test was run to predict the relationship between management-by-exception (active/passive) leadership style and employee's readiness to innovate. As shown in Table 4.16, this transactional leadership style accounts for 39.4% of employee's performance. The F-ratio value 138.060 ( $p < 0.001$ ) implies that the model significantly improves the prediction of the relationship between transactional management-by-exception active style and employees ability to innovate. In addition, the results indicates that the relationship is significantly negative showing Beta value of -.630 ( $p < 0.001$ ), which is also consistent with the Pearson correlation test which found that there is a significantly negative relationship between transactional active leadership style (-.630\*\*) and employee's performance. The results of Tables 4.15 and 4.16 further support our H2 hypothesis in alignment with our correlation and factor analysis tests.

Another multiple regression analysis test was run to help us analysis and predict the accuracy of our second factor analysis, Intellectual Inspiration and employee's performance, Table 4.17. The test results showed R value of 70% and Adjusted R<sup>2</sup> value of 48.7%, which indicates that intellectual styles of leadership can account for almost 48.7% of employee's work enthusiasm with a variance of only 0.3% less in the outcome ( $49\% - 48.7\% = 0.3\%$ ). The ANOVA test indicated F-ratio value 201.517 ( $p < 0.001$ ) that implies that the model significantly improves the ability of transformational leadership in predicting employee's work quantity. Furthermore,

the intellectual stimulation leadership factor reported significantly and positively correlations with employees work performance. While the test was run for both intellectual and inspirational leadership style in relations to quantity of work, the system has excluded the inspirational leadership style due the high collinearity between the two independent variables (.871\*\*). Therefore, in the next test again the inspirational style has been removed and the test was run only for intellectual independent variable with the readiness to innovate dependant variables. Accordingly, Table 4.18, reported significant positive relationship between transformational intellectual leadership style and employee's readiness to innovate with Beta value of .597. The model shows that transformational leadership style accounts for 35.3% of employee's willingness to innovate with a variance of 0.3% ( $35.6\% - 35.3\% = 0.3\%$ ). With an F-ratio value of 116.009 ( $p < 0.001$ ) implying that the model is significantly able to predict the relationship between our dependant and independent variables. This further supports our H1 hypothesis and all our previously reported results of Pearson correlation, factor analysis and regressions analysis tests.

Finally Table 4.19, reports results of our last factor analysis prediction of the negative relationship between contingent reward leadership style and employees work skills. The Adjusted  $R^2$  value provides that contingent style accounts for 40% of the variance in employees work skills. The F value 9.860 ( $p < 0.005$ ) indicates a significant prediction of a relationship between the dependant variable of work skills and leadership style being the independent variable. The standardized coefficients tables, also reported a highly negative -.212 relationship, which was also reported earlier by the correlation test (-.135\*). Although this is rather weak result in comparison to the previously reported tests of our other transactional leadership

correlation with employee performance, it does shed some positive response to our H2 hypothesis.

It is important to highlight that the above various tests indicated high correlations between the sets of transformational leadership and transactional leadership variables. On one hand, there were noticeably high positive collinearity between intellectual and inspirational styles of leadership (.871\*\*). Similarly, there was high positive correlation between idealized and individualized styles (.775\*\*). On the other hand, there was highly negative relationship between the various transformational and transactional style variables. For instance, as shown in Table 4.9 the correlation test for idealised and management-by-exception (active) was (-.782\*\*). Also another highly negative relationship was found between Transactional - Management-by-exception (passive) and all of the transformational leadership styles (-.806, -.703, -.538). The above multiple regression analysis tests results for hypothesis one and two that were in line with the three factor analysis and our correlations test, indicates that Arab leadership styles does have an impact on the employee's performance. The impact of both H1 and H2 analysis represents our H3 hypothesis of Arab transformational and transactional leadership style impacting employee's overall performance.

## **CHAPTER 5: DISCUSSIONS**

### **5. Introduction**

The research aims to study Arab leader's leadership style and its impact on employee's performance. The previous chapter presented the data collected from both qualitative and quantitative research studies. Various leadership styles were determined which were measured using Bass & Avolio MLQ questionnaire method and expert interview schedule with the respective leaders. The data were collected from four different entities, under one of the leading holding companies in Dubai. This chapter will provide detailed description of the findings in relation with the previously discussed literature review addressing the research's main three hypotheses. At the end of this chapter there is a brief discussion of the implications of these findings for future research and practice.

#### **5.1. Qualitative Study (Leadership Styles)**

There are various methods and techniques that can be used in qualitative research methods. For the purpose of this research, expert interview was the main and easiest method as discussed earlier due to the time constraints. This type of research approach involves high risks and concerns compared to quantitative methods and that's due to the high involvement of the researchers with the respondents/ interviewees and the research process to the extended that they seem to be part of the respondent's life (Creswell,1998). Also as was mentioned in the literature review, the qualitative responses may be more open to bias and/or may not be accurate, moreover, it takes time to get the feedback. In most qualitative research investigations a lot of ethical concerns can arise as the data depends with personal opinions and feelings that are gathered by the researcher.

In addition to the above, many qualitative researchers used various designs for their studies and used different methods, to explain their interpretations of the used methods, like an interpretive paradigm, which is more based on trustworthiness as opposed to the conventional, positivistic criteria of internal and external validity and reliability (Denzin & Lincoln, 1994; Lincoln & Guba, 1985; Padgett, 1998). This qualitative data collection emphasizes quality and meaning to allow the research to focus on the topic of Arab leadership style as the main subject rather than quantity, hence we limited the number of leaders to focus on one area. Although, as mentioned earlier such research method has its own specific ethical concerns, however, the mix of research methods used in this study allow us to have a balance of both qualitative and quantitative methods that helps to reduce bias or unethical judgment of the researcher toward the subjects of the study. The mix of participant viewpoint that is found in the interviews and the results found in the form of numbers or correlations from the quantitative research builds higher reliability for the study. The MLQ test combines two different perspectives on leaders' styles; one from the leaders themselves and the second is from their subordinates across the organizations.

The qualitative research conducted by the researchers enables us to conclude from the data provided to recognize that we had three transformational leaders and one transactional leadership style. The findings show that Arab leaders hold a mix of leadership style. The researcher believes that all participants hold somewhat of a mix of both leadership styles, however, some leadership behaviours supersede others, which brings us to the fact that leadership styles may vary from one individual to another; however, it's very much more likely to find mix leadership styles in one individual. This is also supported by Bass (1997), who proposes that transformational leadership is only an extension of transactional leadership. In this constant

transforming age, it is necessary for leaders to possess more than one style to be able to drive the organization toward its goal. Good leaders need to develop more than one set of skills/behaviour that enables them to improve their organization performance (Brown, 1992). All leadership styles are effective in their own way; however, it may vary based on the individual or organizational values. For example, it can be result-oriented and people or team-oriented, in which case transformational style of leadership would be required to nourish those values. Also some organizations might be focused more on stability and results, for that a transactional leadership style with clear goals and procedures would be required to achieve the desired results. These findings are consistent with previous research suggesting that cultural values in organizations are driven by their leaders, which helps aligning goals and ensuring performance.

## **5.2. Quantitative Study (Leaders Rating)**

Leaders are not just rated because they have the term leader attached to them but rather they are rated based on their performance in general, their individual characteristics and mainly their role in the organization. Each type of leader is different and the style of leadership varies as mentioned in the literature review. Leadership styles differ in every possible way. Leaders have rated themselves between good and best as the bad leaders do not exist or are not allowed to survive in this world. However, it is noticed that many leaders has transactional styles, even though they are recognized as transformational leaders. Both of these types which are the transactional leadership style and the transformational leadership style in the Arab world were compared and rated and based on the data collected it was seen that the transformational style is more in demand and are appreciated or looked up to by

employees, subordinates, to be more precise. However, as has been illustrated in Figure 2, studies suggested that effective leadership style can drive performance based on the various environmental forces (Kanji, 2008).

Although, the results shown earlier in both Table 4.6 and Table 4.7 indicate that Arab leaders have a mix of leadership behaviours, these may vary from one individual to another. This brings the overall result of leaders rating to be almost similar to our qualitative research, as many transformational leadership behaviours were noticed. Putting together our qualitative and quantitative results above, we can draw the following conclusion with regard to our four Arab leaders:

1. Some Arab leaders have more of a transformational leadership style that can be seen in their day-to-day behaviours.
2. Many Arab leaders have transactional leadership style that also can be visible in their day-to-day operations.
3. Many Arab leaders hold a mixed type of leadership behaviours; some do supersede others in a manner that helped categorizing them under either transformational or transactional leadership style. Overall, both leadership style in Arab leaders results in effective performance of the employees.

### **5.3. Quantitative Study (Employees Rating)**

This research found that the Cronbach's alpha reliability coefficient for the MLQ test was greater than .7 for the majority of the research constructs. The Cronbach's alpha reliability coefficients for overall transformational leadership style is good (Cronbach alpha value is 0.885), however, if we look at each behavioural factor the Cronbach's alpha reliability this is generally acceptable but rather weak as shown in the Table 4.5. While the overall Cronbach's alpha reliability coefficient of

transactional leadership is highly reliable at Cronbach's alpha 0.938, which is a good sign. For the purpose of this research as stated earlier we have used the MLQ instrument which is deemed to be a reliable measure for both transformational leadership and transactional leadership style in Arab leaders both leaders rating and employee rating. MLQ has proved to be valid and reliable measure for across cultures and all types of organizations Bass & Avolio (1997). Furthermore, what has given this research stronger reliability is the mix of research methods/techniques used. Leaders leadership style had three different perspectives. The researcher's view using qualitative methods, leaders' views and employees' views of their leaders using the MLQ technique.

The research designed by Suliman (2001) for the purpose of evaluating performance, showed high Cronbach's alpha reliability for all four factors as shown in Table 4.8. Therefore, for this research, the design of Suliman (2001) is considered a reliable measurement instrument for work performance as this allows the employees to assess their performance in relation to their leader's leadership style. The questions were direct and to the point, yet related to how employees perceived their performance and the level of their leader's leadership style impacting their day-to-day work and the effectiveness of their productivity.

Initial analysis found highly significant positive linear relationship between employee performance and transformational leadership, through Pearson's correlation test. There is a significantly noticeable relationship between the employee's readiness to innovate and the inspirational leader's leadership behaviour. Similarly, there is a significant relationship between both individualised (.565\*) and intellectual (.700\*\*) leaders and employees willingness to perform in larger quantity. This tells us that leaders are advised to give specific attention to subordinates to build the sense of

belonging and accordingly to have shared vision that leads to better performance. Moreover, the idealised leaders have significantly high impact on employee's enthusiasm as well as readiness to innovate. This brings us to our first hypothesis, which indicates that there is a positive relationship between Arab leaders' transformational leadership style and employee performance. Transformational leadership style allows employees to transform into what the leaders wants them to do, with willingness. It builds those individuals who have potential within the organizations, using these various leadership emphases.

It was also found that there was a highly significant negative linear relationship between employee performance and transactional leadership, which supports our second Hypothesis. As shown in Table 4.9, there is highly significant negative relationship between Arab transactional leadership style and employee performance. Although contingent reward leaders' behaviour might drive employees to complete a task, it lacked the enthusiasm and innovation. Also it showed that when leaders focus on the individual's mistakes and failures, they tend to negatively impact the motivation and thus the performance. Arab leaders must realise that different employees/individuals have different needs and abilities that's needs catering to achieve desired performance. There are common pitfalls that leaders tend to fall for, as they grow into their role and their work pressure drives their behaviours and forms their styles (Toegel & Barsoux, 2012). It is important for leaders to understand how they are perceived as much as they must have self-awareness of their behaviours and leadership style.

In addition to that, the regression analysis found that there is a significantly high relationship between some of both transformational and transactional leadership's behaviours and various employee performance factors. Although not all

the regression analysis showed that there is a significant relationship between leadership style and employee performance, we can say that there is a noticeable weak relationship between Arab leadership style and employee performance, which satisfies our last hypothesis H3. Arab leaders must come to a level where they not only have the awareness of their style, but also cherish it by working with their subordinates in a manner that develops and motivates them. As stated by Toegel & Barsoux (2012) if the leader tends toward being the type who always focuses on the big picture, he/she must find a pragmatist team member; if the leader tend to be impulsive, he/she must find employees who are more risk averse and so forth.

To be more precise, let's draw the above discussion under our three main hypotheses:

**5.4 Hypothesis1: There is a positive relationship between Arab leader transformational leadership and employee performance.**

Various methods were used in this research to study the Arab leader's style and its impact on employee performance. The above findings show that there is high correlation between "Idealized vision" as shown in Table 4.9. This is further supported by the factor analysis, presented in Table 4.11, where the transformational leadership factors were significantly positive. The results show that subordinates under leaders holding behaviours such as individualised and idealised, demonstrate higher performance. Individualised consideration advocates and achieves higher demands from majority of people, as it indicates a high level of trust and empowerment from top management. Studies also suggest that effective leadership behaviours can facilitate the improvement of performance (McGrath & MacMillan, 2000; Teece, Pisano & Shuen, 1997).

Intellectual Inspiration leadership behaviours also showed a highly positive correlation with most of the performance measures, like, quantity of work and enthusiasm and readiness to innovate. As suggested by Tannenbaum & Schmidt, leadership inspiring and encouraging subordinates to deal with the situation more innovatively, means ensuring a highly sustainable vision that enables them to accomplish their desired performance (Kanji, 2008, p. 420). This is further supported by the factor analysis results in Table 4.11, by suggesting new ways and encouraging innovative ideas, leaders help improve workforce skills and reframe old approaches, which facilitate performance.

Leaders using transformational styles encourage ideas and motivate individuals to follow visions and shape their organization's future. The C organisation entity CEO stated under his values that "everyone is creative, everyone has potential and everyone is a leader". Such leadership style creates empowerment and increase loyalty and integrity in the organization. As suggest by Zhu et al. (2005) visionary leaders improve cohesion, commitment, motivation and thus performance. Transformational leaders believe in building the bridge between organizational goals while fulfilling the individual employees' needs through high performance (Bass, 1985).

#### **5.6 Hypothesis2: There is a negative relationship between Arab leader transactional leadership and employee performance.**

The correlation findings in Table 4.9, shows significantly negative ( $p < 0.01$ ) correlation between Management by Exception (active and passive) and most of the employee's performance factors. Furthermore, Table 4.11 shows that "individualized vision" factor containing Management-by-Exception has a significantly high negative

relationship with employee's performance. This is further supported by the literature review, where studies suggest that this type of leadership style focuses on mistakes and errors and deals with them when it occurs, making work more instrumental for subordinates with fairly clear guidance that aligns with the overall goals (Brand et al. 2000) and, in general, is less effective than are transformational styles.

Further study of the impact of the transactional leadership behaviors on employee performance illustrated in Table 4.11, shows that contingent reward transactional leadership factor has significant negative correlation with readiness to learn new skills . The correlation findings shown in Table 4.9 indicate a significantly negative relation between contingent reward leadership behavior and employees' willingness to learn new skills, and show a similar strength of association between transactional leadership (management-by-exception passive) and willingness to learn new skills ( $p < 0.01$ ). While the correlation between contingent reward attribute and 3 out of 4 of the performance is significant and negatively associated at  $p < 0.05$  or  $< 0.01$ . As further stated in the literature review, contingent reward style is identified for its clarity of objectives and expected outcomes, so these findings are more negative associations than has been found in a variety of other transformational leadership research studies where these findings would be more typical of the Management-by-exception (passive) style which implies less clarity and focuses more on mistakes and punishments.

### **5.7 Hypothesis3: Arab leadership styles (transformational and transactional)**

#### **impact the employee's performance.**

If Hypothesis 1 and Hypothesis 2 are taken as the foundation for this research, we can say that there is a highly significant relationship between leadership style and employee's performance. As stated earlier, transformational leadership is nothing but an extension of transactional leadership (Bass, 1997). One that helps followers to reach beyond their expectations providing all the required means to achieve beyond expectations whereas the other merely encourages achieving expected results. The finding in Table 4.9 shows a significant correlation between all transformational and transactional leadership behaviors and the various employee performances attributes, except for transformational leadership inspirational behaviors and work skills, and transactional leadership contingent reward behaviours and quantity of work. In addition to that, the factor analysis presented in Table 4.11, clearly indicated a high, positive relationship between two transformational leadership factors ("individualized vision" and "intellectual inspiration") and 3 out of 4 of the performance factors (quantity of work, work enthusiasm and readiness to innovate).

Many studies suggest that leadership style is seen as a key source of organizational performance (Purcell et al. 2004). Leaders with their various leadership styles create a culture that supports their vision and goal. Individualized consideration style creates a culture that drives individuals to out-perform and brings in healthy competitiveness in the organization. Also the contingent reward leadership style, builds clear road maps for subordinates to follow and uses incentives to influence the result of the perform. As was clear from the factor analysis shown in Table 4.11, contingent reward can influence employee's readiness to learn (this negative association is nonetheless surprising and contrary to what would be expected). Bass

(1985) also suggest that alignment of reward and clear goals results in higher levels of performance by individuals and for organizations' outcomes.

The impact of leadership style on individuals is not questionable at this stage, since many research studies have provided evidence for that hypothesis. The question however was whether Arab leaders had a distinctive leadership style, and if so, does it impact on employees, which the findings were able to address. It is clear that this study requires further research to have stronger outcomes. However, the above result gives a starting point that encourages us to engage in further studies within this field. Arab leaders mainly in the UAE have shown vast improvement and development in many areas. It would certainly be interesting to study those different abilities that these Arab leaders have within their leadership's styles, what and how that style drives organizations to perform.

## **CHAPTER 6: RECOMMENDATIONS & CONCLUSION**

### **6. Introduction**

The previous chapters discussed the theoretical background of the research topic, methods of obtaining relevant information and facts and the subsequent results. This chapter will conclude on the previous chapter's research analysis and discussion, highlighting the limitations of the research, recommendations, keeping in mind the broad objectives of this research, which were to examine the relationship between Arab leaders' leadership style and its impact on organizational and employee's performance.

#### **6.1 Limitations of the Research**

The research had various constraints that limited its success in strongly providing confirmation and support for its hypotheses. The result did identify a relationship between Arab leadership as discussed in the previous chapter; however, it was not sufficient to strongly support the researcher's concept of leadership and culture. Below we have discussed some of the limitations of the research:

Being a working student it was hard to have easy access to the instruments used, that's the SPSS program. It is quite costly to purchase, as such software is mainly used by large organizations that mainly does statistics and/or by students for their researches and it is usually available only available at the campus. This initially posed a problem in finding the time to be at the university only for the purpose of conducting the analysis. This problem was overcome with the support of a friend of the researcher, who shared the software license he had in support of this study.

The researcher has used various methods to study the leadership style, some of which were new to the researcher and caused slight confusion that required further reading for better understanding of the concept used. Linking qualitative and MLQ quantitative methods for four different entity's leadership style and the performance of those employees thus was a challenge.

The researcher also assumed that having different sectors under one main leadership style though managed by four different leaders could be easier and rather effective way to support the research theory. Further, it was seen that the unique characteristics of these four sector organizations should have also impact the relevance of findings in these research areas. As it is an easy access to different sector's leadership style and employee performance, however, it appeared not to be very effective for one major reason that being the data generated for the research was limited to fewer employees, which was insufficient to provide stronger and clearer results.

Another factor that maybe had a severe impact on the outcome of the study is that, the study was conducted during the economic downturn in Dubai. Were the company had to lay-off a number of its employees as well as cut salaries. This fear of uncertainty and instability might have reflected the responses, of employees in two extremes. First, there might be employees who were significantly negative, due to the bitter experience of losing a colleague or having a family member who lost a job; second, is being extremely positive in responses for fearing this information might be shared with management which may affect their current employment and career status.

## 6.2 Recommendations

Considering the facts of the findings of this research there are various implications that need to be highlighted. Leaders and employees together are the backbone of any organization; they can drive the organization towards success or failure. It is important to have great teams that perform towards desired objectives and targets, but it is more essential to have a great leader who drives the team. Below are some aspects that require further consideration for a research:

- It was generally perceived that although there was a slight positive relationship between Arab transformational leaders, it was rather weak. Likewise the highly negative impact of transactional leaders leadership style, draws our attention to their impact on the overall performance of the organization, thus this means that there is a need to implement leadership style management and training of managers to adapt to this field as assessing employee performance is the way that will yield effective company performance in the end. It is highly essential for leaders to recognize and to ensure that employees are happy and their basic needs are fulfilled and in alignment with the organization's needs to enhance performance. The most important factor that leaders must realize is their impact on the employees' overall performance, as well as, the importance of maintaining a motivated workforce to run a successful business.
- Due to the lack of empirical data, this research can be further taken forward and implemented in different organizations around Dubai, however, larger scale organizations must be considered. Future research could be conducted

comparing various homogenous demographic populations to further benefit the instrument's validity. Similar unique characteristics and environments can be used to evaluate and compare the impact on future findings.

The above results also show that there is some strong contingent effect on the original relationship between some of the independent and dependent variables. It is clear that there is certainly a relationship between leadership style and employee performance, which calls Arab leaders to focus on using it to their best. First Arab leaders need to focus on enhancing these leadership styles, through leadership management programs in order to first be self-aware of their own behaviours and then understand which behaviour to be used with which individual to maximise performance. It is vital for these Arab leaders to understand their role as coach and mentors to help their employees grow and subsequently help the organization grow. Second, leaders need to focus on empowering and enabling their employees; these two factors will indirectly encourage employees to have shared vision with the organization.

Finally, the findings have three major practical applications for our four leaders. (1) Leaders must acknowledge that the best way to increase performance is by empowering employees, and should aim to develop those individuals who exhibit characteristics of potentially high performing employees. (2) Leaders should adopt leadership styles that drive performance within their firms to drive the employees to perform. They must adjust their behaviours and styles in a ways to enhance subordinates' work enthusiasm and accordingly performance, to achieve desired goals. (3) Leaders' characteristics should be considered when appointing leaders to further enhance and increase employee performance, similarly, when recruiting a new

member to the department, employees' characteristic must be examined carefully to best fit the department and leader's needs.

It is also important to note that during the literature review the link between leadership and organization culture has been highlighted as a factor that builds on employee performance. This research, however, did not take into account the cultural aspect during the analysis and data collection, which might have brought stronger argument that positively reflects the result of our research topic.

### **6.3 Conclusion**

As mentioned earlier, the overall objective of this research is to examine the relationship between leadership style (transactional and transformational) and its impact on organizational and employee performance. The researcher's intention was to examine whether Arab leaders had any leadership style and the links of their leadership style with both organizational and individual employee performance. A literature review was been presented in chapter two, to draw the outline for the concept/argument via various studies and previous researches within the same context or to support the concept. Then, for a proper study purpose of the leadership style, four main leadership behavioural independent variables were used for transformational leadership style and three variables for the transformational style. Also, dependent variables were considered to examine employee work performance both of which was investigated using a combination of two specific research methods that were linked to three main hypotheses. Qualitative research was conducted to study leadership style from the researcher's point of view and to support the quantitative research that was designed to study the same but from the leaders' and the employees' prospective. Also, a quantitative research using Suliman (2001)

proposals was conducted to measure the work performance, linking it to the leadership style. Both research methods and proposals used were proven highly successful in identifying the main findings of the research.

Although the Arab leaders' leadership style showed significant reliable values, the overall regression finding of the research wasn't significantly high in supporting the concept of the research. The first hypothesis indicated linear regression analysis between transformational leadership style in Arab leaders and some aspects of work performance through individualized leadership behaviour. The second hypothesis showed significant positive linear relationship between contingent reward behaviour of Arab transactional leadership style and work performance, which must be noted that the linear regression analysis of the study showed different results than was anticipated by the researcher or even by the correlation test. The overall correlation between the independent transformational leaders leadership style and employee performance showed a highly negative relationship, which proves our second hypothesis. The findings also showed a relatively weak relationship between Arab Transformational and Transactional leadership style and employee/organization performance (Hypothesis three).

Overall, the result are not sufficient to strongly support the argument of the research study, but does suggest that employee's performance as well as organization performance is associated with their respective leadership style.

This thesis highlights three main contributions that can be further researched. The first is the study of Arab leadership styles and whether it is inherited, developed or is natural skill. The second contribution is introducing the Arab leadership style being associated in various ways with employee performance in general. The third contribution is the theory of Arab leadership style that emphasizes their role in

shaping organization cultures especially in the Middle East as majority of the organizations are family owned.

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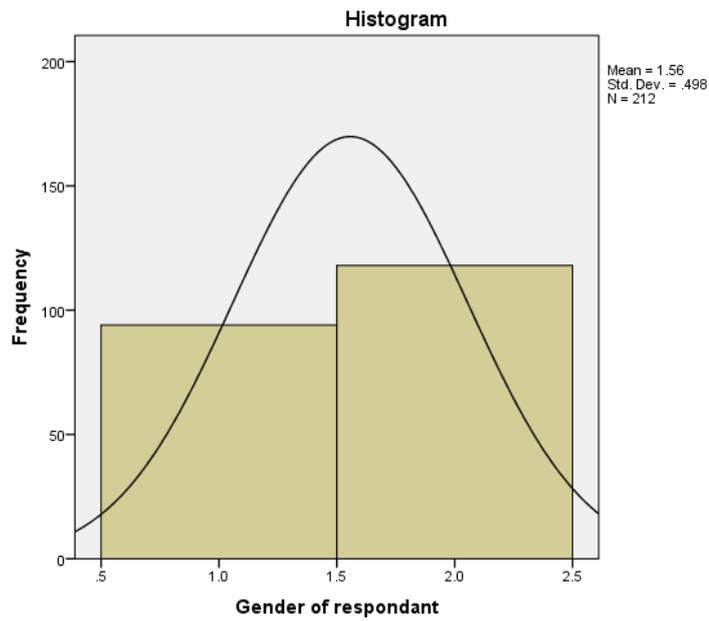
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**APPENDICES**

**Appendix A: Descriptive Statistics**

**A.1 Gender of respondent**

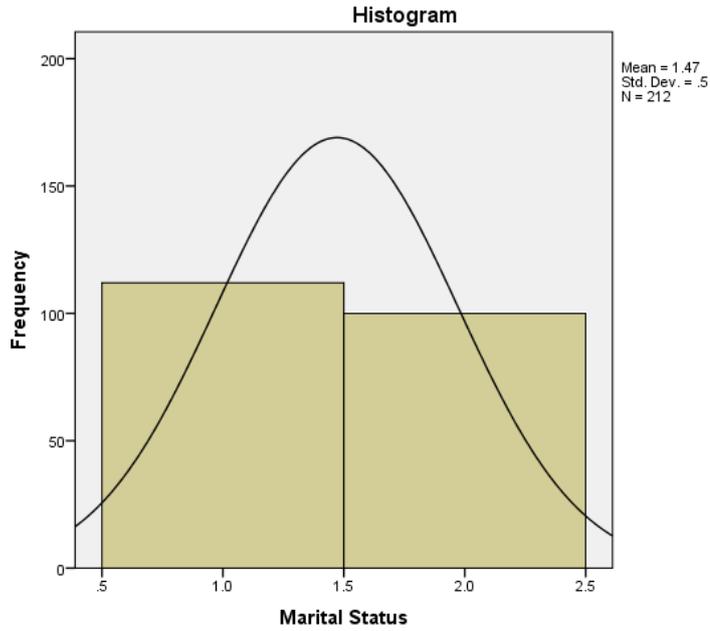
	Frequency	Percent	Valid Percent	Cumulative Percent
Male	94	44.3	44.3	44.3
Valid Female	118	55.7	55.7	100.0
Total	212	100.0	100.0	



**A.2 Marital Status**

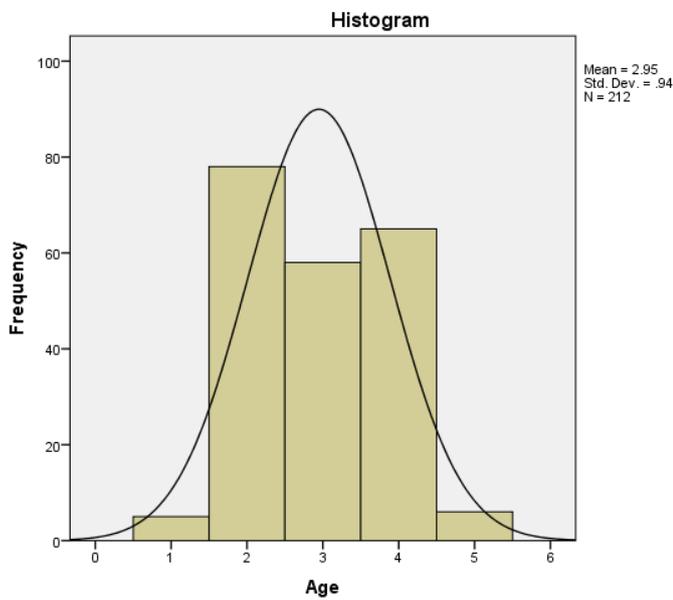
	Frequency	Percent	Valid Percent	Cumulative Percent
Married	112	52.8	52.8	52.8
Valid Unmarried	100	47.2	47.2	100.0
Total	212	100.0	100.0	

A CRITICAL STUDY OF THE IMPACT OF ARAB LEADERSHIP STYLES ON ORGANISATIONAL & EMPLOYEE'S PERFORMANCE



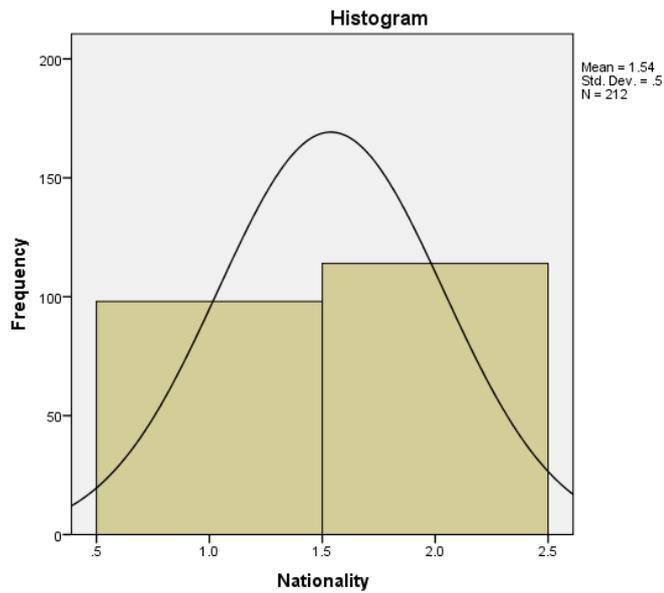
**A.3 Age**

	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 25	5	2.4	2.4	2.4
25- 35	78	36.8	36.8	39.2
36 - 46	58	27.4	27.4	66.5
47- 57	65	30.7	30.7	97.2
58 or above	6	2.8	2.8	100.0
Total	212	100.0	100.0	



**A.4 Nationality**

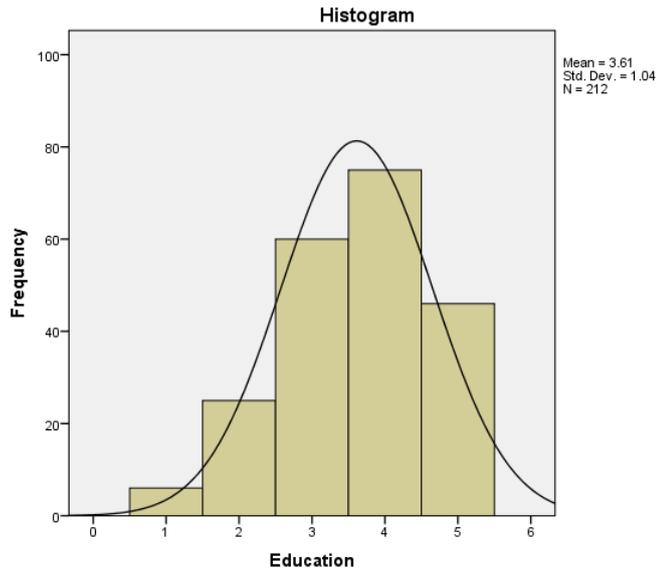
	Frequency	Percent	Valid Percent	Cumulative Percent
UAE National	98	46.2	46.2	46.2
Valid Non UAE national	114	53.8	53.8	100.0
Total	212	100.0	100.0	



**A.5 Education**

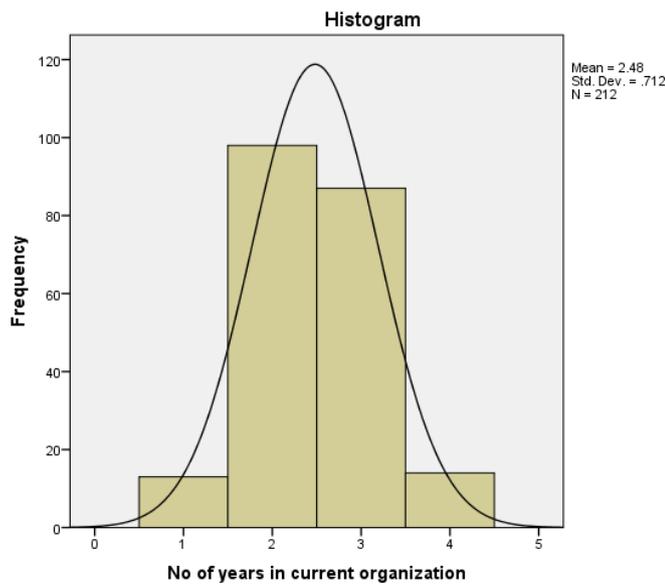
	Frequency	Percent	Valid Percent	Cumulative Percent
Less than high school	6	2.8	2.8	2.8
High School	25	11.8	11.8	14.6
Valid college degree	60	28.3	28.3	42.9
Higher Diploma	75	35.4	35.4	78.3
Bachelor	46	21.7	21.7	100.0
Total	212	100.0	100.0	

A CRITICAL STUDY OF THE IMPACT OF ARAB LEADERSHIP STYLES ON ORGANISATIONAL & EMPLOYEE'S PERFORMANCE



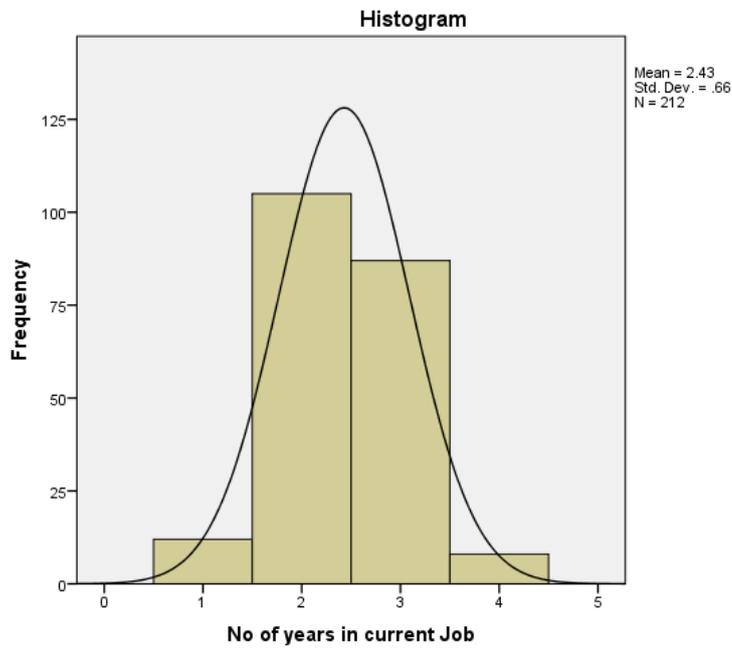
**A.6 No of years in current organization**

	Frequency	Percent	Valid Percent	Cumulative Percent
one year or less	13	6.1	6.1	6.1
2 - 7	98	46.2	46.2	52.4
Valid 8 - 13	87	41.0	41.0	93.4
14 - 19	14	6.6	6.6	100.0
Total	212	100.0	100.0	



**A.7 No of years in current Job**

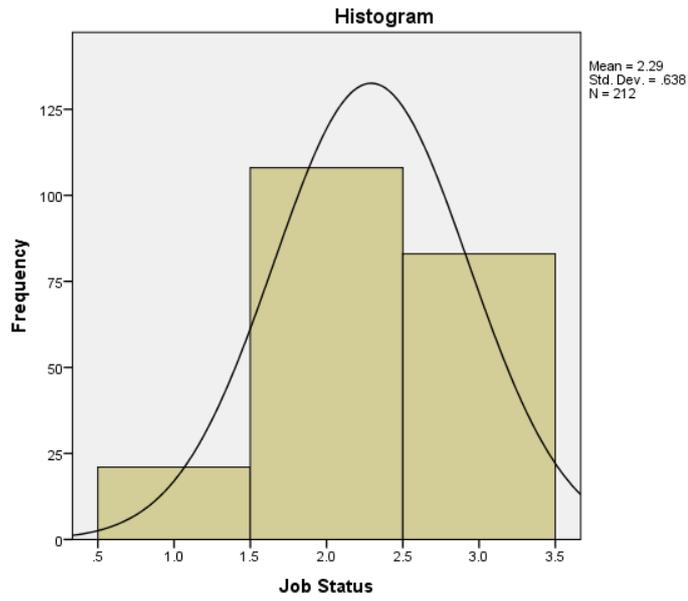
	Frequency	Percent	Valid Percent	Cumulative Percent
one year or less	12	5.7	5.7	5.7
2 - 7	105	49.5	49.5	55.2
Valid 8 - 13	87	41.0	41.0	96.2
14 - 19	8	3.8	3.8	100.0
Total	212	100.0	100.0	



**A.8 Job Status**

	Frequency	Percent	Valid Percent	Cumulative Percent
first level	21	9.9	9.9	9.9
Valid middle level	108	50.9	50.9	60.8
lower level	83	39.2	39.2	100.0
Total	212	100.0	100.0	

A CRITICAL STUDY OF THE IMPACT OF ARAB LEADERSHIP STYLES ON ORGANISATIONAL & EMPLOYEE'S PERFORMANCE



**Appendix B: Reliability Analysis**

**B.1 MLQ**

***B.1.1 Transformational Factors***

Cronbach's Alpha	N of Items
.885	12

***B.1.1.1 Idealized Attributes***

Cronbach's Alpha	N of Items
.680	3

**Item Statistics**

	Mean	Std. Deviation	N
Item 1 of Transformational Leadership factor	2.84	.376	212
Item 4 of Transformational Leadership factor	2.98	.136	212
Item 5 of Transformational Leadership factor	2.75	.455	212

***B.1.1.2 Individualized Attributes***

Cronbach's Alpha	N of Items
.694	3

**Item Statistics**

	Mean	Std. Deviation	N
Item 6 of Transformational Leadership factor	2.83	.389	212
Item 8 of Transformational Leadership factor	2.92	.265	212
Item 9 of Transformational Leadership factor	2.88	.329	212

***B.1.1.3 Inspirational Attributes***

Cronbach's Alpha	N of Items
.872	2

**Item Statistics**

A CRITICAL STUDY OF THE IMPACT OF ARAB LEADERSHIP STYLES ON ORGANISATIONAL &  
EMPLOYEE'S PERFORMANCE

	Mean	Std. Deviation	N
Item 3 of Transformational Leadership factor	3.10	.411	212
Item 11 of Transformational Leadership factor	3.05	.508	212

***B.1.1.4 Intellectual Attributes***

Cronbach's Alpha	N of Items
.782	3

**Item Statistics**

	Mean	Std. Deviation	N
Item 2 of Transformational Leadership factor	3.15	.517	212
Item 10 of Transformational Leadership factor	3.08	.449	212
Item 12 of Transformational Leadership factor	3.00	.441	212

***B.1.2 Transactional Factors***

Cronbach's Alpha	N of Items
.938	12

***B.1.2.1 Contingent Reward Attributes***

Cronbach's Alpha	N of Items
.689	3

**Item Statistics**

	Mean	Std. Deviation	N
Item 1 of Transactional Leadership factor	2.93	.364	212
Item 4 of Transactional Leadership factor	2.94	.385	212
Item 6 of Transactional Leadership factor	2.96	.349	212

***B.1.2.2 Management-by-exception (active)***

Cronbach's Alpha	N of Items
.968	4

**Item Statistics**

	Mean	Std. Deviation	N
Item 2 of Transactional Leadership factor	.98	1.162	212
Item 9 of Transactional Leadership factor	.62	1.176	212
Item 10 of Transactional Leadership factor	.66	1.323	212
Item 11 of Transactional Leadership factor	.63	1.203	212

**B.1.2.3 Management-by-exception (passive)**

Cronbach's Alpha	N of Items
.933	4

**Item Statistics**

	Mean	Std. Deviation	N
Item 3 of Transactional Leadership factor	.88	1.216	212
Item 5 of Transactional Leadership factor	1.24	1.206	212
Item 7 of Transactional Leadership factor	.58	1.184	212
Item 8 of Transactional Leadership factor	.59	1.215	212

**B.2 Employee work performance**

**B.2.1 Work Quantity Factors**

**Reliability Statistics**

Cronbach's Alpha	N of Items
.810	4

**Item Statistics**

	Mean	Std. Deviation	N
Item 1 of work quantity factor	2.89	.416	212
Item 2 of work quantity factor	2.39	.560	212
Item 3 of work quantity factor	2.93	.467	212
Item 4 of work quantity factor	2.95	.508	212

**B.2.2 Work Enthusiasm Factors**

**Reliability Statistics**

Cronbach's Alpha	N of Items
.983	4

**Item Statistics**

	Mean	Std. Deviation	N
Item 1 of work enthusiasm factor	2.93	.492	212
Item 2 of work enthusiasm factor	2.93	.502	212
Item 3 of work enthusiasm factor	2.98	.440	212
Item 4 of work enthusiasm factor	2.93	.506	212

**B.2.3 Work Skills Factors**

Cronbach's Alpha	N of Items
.955	4

**Item Statistics**

	Mean	Std. Deviation	N
Item 1 of work skills factor	2.85	.367	212
Item 2 of work skills factor	2.88	.382	212
Item 3 of work skills factor	2.87	.353	212
Item 4 of work skills factor	2.83	.409	212

**B.2.4 Work Skills Factors**

Cronbach's Alpha	N of Items
.874	5

**Item Statistics**

	Mean	Std. Deviation	N
Item 1 of readiness to innovate factor	2.57	.809	212
Item 2 of readiness to innovate factor	2.85	.556	212
Item 3 of readiness to innovate factor	2.88	.626	212
Item 4 of readiness to innovate factor	2.87	.543	212
Item 5 of readiness to innovate factor	2.87	.549	212

**Appendix C: Correlation**

Dependent/Indepe		Work Quantity				Work Enthusiasm				Work Skills				Readiness to Innovate						
Transformational - Idealized	Pearson	.437**	.152*	.477*	.528*	.533*	.473*	.378*	.515*	.075	.163*	.166*	.110	.356*	.386*	.421*	.525*	.340**		
	Sig. (2-	.000	.027	.000	.000	.000	.000	.000	.000	.280	.017	.016	.112	.000	.000	.000	.000	.000		
	N	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	
	Pearson	.214**	.096	.202*	.191*	.193*	.190*	.229*	.187*	-.055	-.045	.145*	.029	.098	.087	.306*	.222*	.221**		
	Sig. (2-	.002	.164	.003	.005	.005	.006	.001	.006	.423	.518	.035	.676	.155	.205	.000	.001	.001		
	N	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212
	Pearson	.407**	.176*	.452*	.456*	.518*	.488*	.420*	.499*	.177*	.232*	.295*	.185*	.312*	.393*	.457*	.517*	.384**		
	Sig. (2-	.000	.010	.000	.000	.000	.000	.000	.000	.010	.001	.000	.007	.000	.000	.000	.000	.000		
N	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	
Transformational - Individualized	Pearson	.296**	-.067	.325*	.291*	.511*	.453*	.392*	.493*	-.009	.051	.078	.061	.265*	.276*	.284*	.387*	.254**		
	Sig. (2-	.000	.332	.000	.000	.000	.000	.000	.000	.899	.464	.261	.374	.000	.000	.000	.000	.000		
	N	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212
	Pearson	.442**	.293*	.570*	.535*	.180*	.176*	.188*	.172*	.325*	.376*	.451*	.366*	.291*	.212*	.401*	.457*	.423**		
	Sig. (2-	.000	.000	.000	.000	.009	.010	.006	.012	.000	.000	.000	.000	.000	.002	.000	.000	.000		
	N	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212
	Pearson	.457**	.336*	.561*	.586*	.301*	.324*	.340*	.318*	.204*	.257*	.309*	.237*	.175*	.209*	.410*	.413*	.386**		
	Sig. (2-	.000	.000	.000	.000	.000	.000	.000	.000	.003	.000	.000	.001	.011	.002	.000	.000	.000		
N	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	

A CRITICAL STUDY OF THE IMPACT OF ARAB LEADERSHIP STYLES ON ORGANISATIONAL & EMPLOYEE'S PERFORMANCE

Dependent/Indepe		Work Quantity				Work Enthusiasm				Work Skills				Readiness to Innovate					
Transformational - Inspirational	Pearson	.426**	.380*	.458*	.343*	.198*	.194*	.197*	.195*	.101	.111	.127	.131	.306*	.359*	.344*	.380*	.416**	
	Sig. (2-	.000	.000	.000	.000	.004	.005	.004	.004	.143	.106	.064	.058	.000	.000	.000	.000	.000	
	N	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212
	Pearson	.227**	.087	.225*	.341*	.306*	.323*	.340*	.298*	.009	.037	.106	.037	.097	.213*	.298*	.280*	.256**	
	Sig. (2-	.001	.209	.001	.000	.000	.000	.000	.000	.895	.588	.124	.588	.158	.002	.000	.000	.000	
	N	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212
	Pearson	.475**	.412*	.536*	.451*	.412*	.441*	.429*	.420*	.041	.155*	.171*	.087	.297*	.464*	.541*	.540*	.500**	
	Sig. (2-	.000	.000	.000	.000	.000	.000	.000	.000	.554	.024	.013	.206	.000	.000	.000	.000	.000	
N	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	
Transformational - Intellectual	Pearson	.537**	.474*	.573*	.498*	.336*	.330*	.348*	.330*	.013	.115	.106	.070	.411*	.456*	.582*	.541*	.533**	
	Sig. (2-	.000	.000	.000	.000	.000	.000	.000	.000	.847	.095	.123	.311	.000	.000	.000	.000	.000	
	N	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212
	Pearson	.456**	.397*	.504*	.415*	.262*	.257*	.250*	.256*	.133	.172*	.161*	.180*	.336*	.375*	.391*	.416*	.448**	
	Sig. (2-	.000	.000	.000	.000	.000	.000	.000	.000	.053	.012	.019	.009	.000	.000	.000	.000	.000	
	N	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212
	Pearson	.391**	.319*	.555*	.530*	.264*	.259*	.294*	.257*	.209*	.285*	.339*	.320*	.285*	.293*	.363*	.359*	.394**	
	Sig. (2-	.000	.000	.000	.000	.000	.000	.000	.000	.002	.000	.000	.000	.000	.000	.000	.000	.000	
N	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	

A CRITICAL STUDY OF THE IMPACT OF ARAB LEADERSHIP STYLES ON ORGANISATIONAL & EMPLOYEE'S PERFORMANCE

Dependent/Indepe		Work Quantity				Work Enthusiasm				Work Skills				Readiness to Innovate					
Transactional - Contingent Reward	Pearson	.074	.019	-.085	-.020	-.079	-.104	-.099	-.079	-	-	-	-	-.023	-	-	-	-.188**	
	Sig. (2-	.282	.787	.215	.773	.251	.133	.150	.253	.030	.004	.033	.011	.737	.013	.003	.005	.006	
	N	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	
	Pearson	.169*	.014	.057	.130	.005	.005	.020	.004	-.092	-.080	-.125	-	-.002	-.018	-.068	-.036	.011	
	Sig. (2-	.014	.839	.411	.058	.940	.941	.772	.958	.181	.249	.070	.029	.973	.795	.323	.603	.878	
	N	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	
	Pearson	.102	.051	-.075	-.065	-	-	-	-	-	-	-	-	-	-.041	-.103	-	-.126	-.099
	Sig. (2-	.138	.462	.279	.349	.001	.000	.001	.000	.025	.010	.004	.000	.554	.136	.028	.066	.149	
	N	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	
	Pearson	-.124	-.059	-	-.002	-.028	-.061	.016	-.024	-.109	-.124	-.126	-.126	-.111	-.131	-.103	-	-.176*	
Sig. (2-	.071	.390	.002	.975	.686	.375	.813	.724	.112	.072	.067	.068	.108	.057	.136	.000	.010		
N	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212		
Transactional - Management-by-exception (active)	Pearson	-.427**	-	-	-	-	-	-	-	-.053	-	-	-.108	-	-	-	-	-.547**	
	Sig. (2-	.000	.000	.000	.000	.000	.000	.000	.000	.447	.034	.022	.117	.000	.000	.000	.000	.000	
	N	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	
	Pearson	-.376**	-	-	-	-	-	-	-	-.119	-	-	-	-	-	-	-	-.450**	
	Sig. (2-	.000	.013	.000	.000	.000	.000	.000	.000	.084	.004	.002	.008	.000	.000	.000	.000	.000	
	N	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	
	Pearson	-.394**	-	-	-	-	-	-	-	-.083	-	-	-	-	-	-	-	-.471**	
	Sig. (2-	.000	.005	.000	.000	.000	.000	.000	.000	.228	.015	.015	.043	.000	.000	.000	.000	.000	
	N	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	
	Pearson	-.326**	-	-	-	-	-	-	-	-.101	-	-	-	-	-	-	-	-.524**	
Sig. (2-	.000	.004	.000	.000	.000	.000	.000	.000	.143	.013	.005	.018	.000	.000	.000	.000	.000		
N	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212		

A CRITICAL STUDY OF THE IMPACT OF ARAB LEADERSHIP STYLES ON ORGANISATIONAL & EMPLOYEE'S PERFORMANCE

Dependent/Indepe		Work Quantity				Work Enthusiasm				Work Skills				Readiness to Innovate				
Transactional - Management-by-exception (passive)	Pearson	-.410**	-	-.449**	-.463**	-.544**	-.541**	-.439**	-.545**	-.060	-.154*	-.158*	-.116	-.442**	-.475**	-.517**	-.569**	-.420**
			.239**															
	Sig. (2-	.000	.000	.000	.000	.000	.000	.000	.000	.385	.025	.021	.093	.000	.000	.000	.000	.000
	N	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212
	Pearson	-.307**	-.061	-.399**	-.421**	-.500**	-.491**	-.418**	-.501**	-.284**	-.296**	-	-	-.331**	-.462**	-.406**	-.516**	-.398**
												.337**	.333**					
	Sig. (2-	.000	.375	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	N	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212
	Pearson	-.373**	-.158*	-.475**	-.486**	-.650**	-.638**	-.519**	-.652**	-.078	-.168*	-.169*	-.146*	-.350**	-.516**	-.537**	-.647**	-.499**
	Sig. (2-	.000	.021	.000	.000	.000	.000	.000	.000	.258	.014	.014	.034	.000	.000	.000	.000	.000
	N	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212
Pearson	-.370**	-.163*	-.495**	-.480**	-.609**	-.597**	-.479**	-.611**	-.093	-.180**	-	-.156*	-.378**	-.492**	-.534**	-.607**	-.448**	
											.182**							
Sig. (2-	.000	.018	.000	.000	.000	.000	.000	.000	.179	.008	.008	.023	.000	.000	.000	.000	.000	
N	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	

\*\* Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

## Appendix D: Factor Analysis and Regression

**Component Matrix<sup>a</sup>**

	Component		
	1	2	3
Transformational - Idealized	.831	-.135	-.184
Transformational - Individualized	.797	-.050	-.017
Transformational - Inspirational	.729	.435	-.092
Transformational - Intellectual	.794	.466	-.006
Transactional - Contingent Reward	-.219	.576	-.482
Transactional - Management-by-exception (active)	-.889	.342	.105
Transactional - Management-by-exception (passive)	-.894	.339	.091
Quantity of Work	.719	.437	.153
Work Enthusiasm	.634	-.275	-.253
Work Skills	.315	.096	.854
Readiness to Innovate	.744	.062	.013
Transformational Leadership	.923	.280	-.084
Transactional Leadership	-.891	.401	.035
Performance	.897	.089	.209

Extraction Method: Principal Component Analysis.

a. 3 components extracted.

**Rotated Component Matrix<sup>a</sup>**

	Component		
	1	2	3
Transformational - Idealized	.744	.435	.003
Transformational - Individualized	.618	.488	.136
Transformational - Inspirational	.291	.800	-.067
Transformational - Intellectual	.294	.872	.019
Transactional - Contingent Reward	-.374	.252	-.639
Transactional - Management-by-exception (active)	-.891	-.324	-.140
Transactional - Management-by-exception (passive)	-.888	-.330	-.153
Quantity of Work	.211	.813	.165
Work Enthusiasm	.706	.195	-.063
Work Skills	-.079	.340	.846
Readiness to Innovate	.501	.538	.128
Transformational Leadership	.526	.813	.013
Transactional Leadership	-.909	-.286	-.221
Performance	.539	.674	.335

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 6 iterations.

**Variables Entered/Removed<sup>a</sup>**

Model	Variables Entered	Variables Removed	Method
1	Transformational - Individualized , Transformational - Idealized <sup>b</sup>	.	Enter

a. Dependent Variable: Readiness to Innovate

b. All requested variables entered.

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.542 <sup>a</sup>	.293	.287	.430	.293	43.366	2	209	.000

a. Predictors: (Constant), Transformational - Individualized , Transformational - Idealized

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.045	2	8.022	43.366	.000 <sup>b</sup>
	Residual	38.663	209	.185		
	Total	54.708	211			

a. Dependent Variable: Readiness to Innovate

b. Predictors: (Constant), Transformational - Individualized , Transformational - Idealized

A CRITICAL STUDY OF THE IMPACT OF ARAB LEADERSHIP STYLES ON ORGANISATIONAL & EMPLOYEE'S PERFORMANCE

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			
	B	Std. Error	Beta			Zero-order	Partial	Part	
1	(Constant)	-.263	.340		-.773	.441			
	Transformational - Idealized	.764	.171	.410	4.459	.000	.532	.295	.259
	Transformational - Individualized	.308	.179	.158	1.717	.087	.475	.118	.100

a. Dependent Variable: Readiness to Innovate

**Variables Entered/Removed<sup>a</sup>**

Model	Variables Entered	Variables Removed	Method
1	Transformational - Individualized , Transformational - Idealized <sup>b</sup>		Enter

a. Dependent Variable: Readiness to Innovate

b. All requested variables entered.

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.542 <sup>a</sup>	.293	.287	.430	.293	43.366	2	209	.000

a. Predictors: (Constant), Transformational - Individualized , Transformational - Idealized

A CRITICAL STUDY OF THE IMPACT OF ARAB LEADERSHIP STYLES ON ORGANISATIONAL & EMPLOYEE'S PERFORMANCE

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.045	2	8.022	43.366	.000 <sup>b</sup>
	Residual	38.663	209	.185		
	Total	54.708	211			

a. Dependent Variable: Readiness to Innovate

b. Predictors: (Constant), Transformational - Individualized , Transformational - Idealized

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized	t	Sig.	Correlations		
		B	Std. Error	Beta			Zero-order	Partial	Part
1	(Constant)	-.263	.340		-.773	.441			
	Transformational - Idealized	.764	.171	.410	4.459	.000	.532	.295	.259
	Transformational - Individualized	.308	.179	.158	1.717	.087	.475	.118	.100

a. Dependent Variable: Readiness to Innovate

**Variables Entered/Removed<sup>a</sup>**

Model	Variables Entered	Variables Removed	Method
1	Transformational - Idealized		Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

a. Dependent Variable: Readiness to Innovate

A CRITICAL STUDY OF THE IMPACT OF ARAB LEADERSHIP STYLES ON ORGANISATIONAL & EMPLOYEE'S PERFORMANCE

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.532 <sup>a</sup>	.283	.280	.432	.283	83.014	1	210	.000

a. Predictors: (Constant), Transformational - Idealized

**ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	15.499	1	15.499	83.014	.000 <sup>b</sup>
1 Residual	39.209	210	.187		
Total	54.708	211			

a. Dependent Variable: Readiness to Innovate

b. Predictors: (Constant), Transformational - Idealized

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
	B	Std. Error	Beta			Zero-order	Partial	Part
1 (Constant)	-.028	.313		-.088	.930			
1 Transformational - Idealized	.992	.109	.532	9.111	.000	.532	.532	.532

a. Dependent Variable: Readiness to Innovate

**Excluded Variables<sup>a</sup>**

Model	Beta In	t	Sig.	Partial Correlation	Collinearity Statistics	
					Tolerance	
1	Transformational - Individualized	.158 <sup>b</sup>	1.717	.087	.118	.400

a. Dependent Variable: Readiness to Innovate

b. Predictors in the Model: (Constant), Transformational - Idealized

**Variables Entered/Removed<sup>a</sup>**

Model	Variables Entered	Variables Removed	Method
1	Transformational - Idealized		Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

a. Dependent Variable: Work Enthusiasm

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
		B	Std. Error	Beta			Zero-order	Partial	Part
1	(Constant)	.303	.291		1.043	.298			
1	Transformational - Idealized	.924	.101	.533	9.127	.000	.533	.533	.533

a. Dependent Variable: Work Enthusiasm

A CRITICAL STUDY OF THE IMPACT OF ARAB LEADERSHIP STYLES ON ORGANISATIONAL & EMPLOYEE'S PERFORMANCE

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.615 <sup>a</sup>	.378	.376	.374	.378	127.875	1	210	.000

a. Predictors: (Constant), Transactional - Management-by-exception (passive)

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.909	1	17.909	127.875	.000 <sup>b</sup>
	Residual	29.411	210	.140		
	Total	47.321	211			

a. Dependent Variable: Work Enthusiasm

b. Predictors: (Constant), Transactional - Management-by-exception (passive)

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
		B	Std. Error	Beta			Zero-order	Partial	Part
1	(Constant)	3.161	.032		98.418	.000			
	Transactional - Management-by-exception (passive)	-.265	.023	-.615	-11.308	.000	-.615	-.615	-.615

a. Dependent Variable: Work Enthusiasm

A CRITICAL STUDY OF THE IMPACT OF ARAB LEADERSHIP STYLES ON ORGANISATIONAL & EMPLOYEE'S PERFORMANCE

**Excluded Variables<sup>a</sup>**

Model	Beta In	t	Sig.	Partial Correlation	Collinearity Statistics	
					Tolerance	
1	Transactional - Management-by-exception (active)	-.045 <sup>b</sup>	-.269	.789	-.019	.104

a. Dependent Variable: Work Enthusiasm

b. Predictors in the Model: (Constant), Transactional - Management-by-exception (passive)

**Variables Entered/Removed<sup>a</sup>**

Model	Variables Entered	Variables Removed	Method
1	Transactional - Management-by-exception (active)	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

a. Dependent Variable: Readiness to Innovate

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.630 <sup>a</sup>	.397	.394	.396	.397	138.060	1	210	.000

a. Predictors: (Constant), Transactional - Management-by-exception (active)

A CRITICAL STUDY OF THE IMPACT OF ARAB LEADERSHIP STYLES ON ORGANISATIONAL & EMPLOYEE'S PERFORMANCE

**ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	21.700	1	21.700	138.060	.000 <sup>b</sup>
Residual	33.008	210	.157		
Total	54.708	211			

a. Dependent Variable: Readiness to Innovate

b. Predictors: (Constant), Transactional - Management-by-exception (active)

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
	B	Std. Error	Beta			Zero-order	Partial	Part
1 (Constant)	3.007	.032		93.762	.000			
Transactional - Management-by-exception (active)	-.276	.023	-.630	-11.750	.000	-.630	-.630	-.630

a. Dependent Variable: Readiness to Innovate

**Excluded Variables<sup>a</sup>**

Model	Beta In	t	Sig.	Partial Correlation	Collinearity Statistics
					Tolerance
1 Transactional - Management-by-exception (passive)	-.253 <sup>b</sup>	-1.531	.127	-.105	.104

a. Dependent Variable: Readiness to Innovate

b. Predictors in the Model: (Constant), Transactional - Management-by-exception (active)

A CRITICAL STUDY OF THE IMPACT OF ARAB LEADERSHIP STYLES ON ORGANISATIONAL & EMPLOYEE'S PERFORMANCE

**Variables Entered/Removed<sup>a</sup>**

Model	Variables Entered	Variables Removed	Method
1	Transformational – Intellectual	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

a. Dependent Variable: Quantity of Work

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.700 <sup>a</sup>	.490	.487	.280	.490	201.517	1	210	.000

a. Predictors: (Constant), Transformational - Intellectual

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.850	1	15.850	201.517	.000 <sup>b</sup>
	Residual	16.517	210	.079		
	Total	32.366	211			

a. Dependent Variable: Quantity of Work

b. Predictors: (Constant), Transformational - Intellectual

A CRITICAL STUDY OF THE IMPACT OF ARAB LEADERSHIP STYLES ON ORGANISATIONAL & EMPLOYEE'S PERFORMANCE

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			
	B	Std. Error	Beta			Zero-order	Partial	Part	
1	(Constant)	.638	.153		4.176	.000			
	Transformational - Intellectual	.699	.049	.700	14.196	.000	.700	.700	.700

a. Dependent Variable: Quantity of Work

**Excluded Variables<sup>a</sup>**

Model	Beta In	t	Sig.	Partial Correlation	Collinearity Statistics	
					Tolerance	
1	Transformational - Inspirational	-.151 <sup>b</sup>	-1.507	.133	-.104	.242

a. Dependent Variable: Quantity of Work

b. Predictors in the Model: (Constant), Transformational - Intellectual

A CRITICAL STUDY OF THE IMPACT OF ARAB LEADERSHIP STYLES ON ORGANISATIONAL & EMPLOYEE'S PERFORMANCE

**Variables Entered/Removed<sup>a</sup>**

Model	Variables Entered	Variables Removed	Method
1	Transformational – Intellectual	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

a. Dependent Variable: Readiness to Innovate

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.597 <sup>a</sup>	.356	.353	.410	.356	116.009	1	210	.000

a. Predictors: (Constant), Transformational - Intellectual

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.468	1	19.468	116.009	.000 <sup>b</sup>
	Residual	35.240	210	.168		
	Total	54.708	211			

a. Dependent Variable: Readiness to Innovate

b. Predictors: (Constant), Transformational - Intellectual

A CRITICAL STUDY OF THE IMPACT OF ARAB LEADERSHIP STYLES ON ORGANISATIONAL & EMPLOYEE'S PERFORMANCE

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			
	B	Std. Error	Beta			Zero-order	Partial	Part	
1	(Constant)	.424	.223		1.899	.059			
	Transformational - Intellectual	.774	.072	.597	10.771	.000	.597	.597	.597

a. Dependent Variable: Readiness to Innovate

**Variables Entered/Removed<sup>a</sup>**

Model	Variables Entered	Variables Removed	Method
1	Transactional - Contingent Reward		Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

a. Dependent Variable: Work Skills

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.212 <sup>a</sup>	.045	.040	.348	.045	9.860	1	210	.002

a. Predictors: (Constant), Transactional - Contingent Reward

A CRITICAL STUDY OF THE IMPACT OF ARAB LEADERSHIP STYLES ON ORGANISATIONAL & EMPLOYEE'S PERFORMANCE

ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.194	1	1.194	9.860	.002 <sup>b</sup>
	Residual	25.435	210	.121		
	Total	26.630	211			

a. Dependent Variable: Work Skills

b. Predictors: (Constant), Transactional - Contingent Reward

Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
		B	Std. Error	Beta			Zero-order	Partial	Part
1	(Constant)	3.629	.246		14.727	.000			
	Transactional - Contingent Reward	-.261	.083	-.212	-3.140	.002	-.212	-.212	-.212

a. Dependent Variable: Work Skills

**Appendix E: MLQ Scoring Key and Employee Performance Scoring Key**

<b>Leadership Factors</b>	<b>Q#</b>	<b>Q#</b>	<b>Q#</b>	<b>Q#</b>
Transformational - Idealized	4	7	10	14
Transformational - Individualized	11	15	17	
Transformational - Inspirational	6	24		
Transformational - Intellectual	5	20	22	
Transactional - Contingent Reward	1	8	12	23
Transactional - Management-by-exception (active)	2	18	19	21
Transactional - Management-by-exception (passive)	3	9	13	17

<b>Performance Factors</b>	<b>Q#</b>	<b>Q#</b>	<b>Q#</b>	<b>Q#</b>	<b>Q#</b>
Quantity of Work	1	3	8	10	
Work enthusiasm	4	9	15	16	
Work Skills	5	6	11	17	
Readiness to innovate	2	7	12	13	14

**Appendix F: Multifactor Leadership Questionnaire (MLQ) Leaders Questionnaire and Interview questions**

**Multifactor Leadership Questionnaire (MLQ) Leaders Questionnaire**

**DIRECTION:** This survey is designed to describe your leadership style as you perceive it. Please fill in the below questionnaire by marking the box that is more appropriately fits you. Remember that no individuals will be identified from their response and there are no requests for confidential information included in the questionnaire.

	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
	<b>Not at all</b>	<b>Once in a while</b>	<b>Sometimes</b>	<b>Fairly often</b>	<b>Frequently if not always</b>
1 I provide others with assistance in exchange for their efforts					
2 I fail to interfere until problems become serious					
3 I focus attention on irregularities, mistakes, exceptions, and deviations from standards					
4 I talk about my most important values and beliefs					
5 I seek different prospective when solving problems					
6 I talk optimistically about the future					
7 I instill pride in others for bring associated with me					
8 I discuss in specific terms who is responsible for achieving performance targets					
9 I wait for things to go wrong before taking action					

A CRITICAL STUDY OF THE IMPACT OF ARAB LEADERSHIP STYLES ON ORGANISATIONAL & EMPLOYEE'S PERFORMANCE

10	I specify the importance of having a strong sense of purpose					
11	I spend time teaching and coaching					
12	I make clear what one can expect to receive when performance goals are achieved					
13	I show that i am a firm believer in "if it ain't broke, don't fix it"					
14	I talk enthusiastically about what needs to be accomplished					
15	I treat others as an individuals rather than just as a member of a group					
16	I demonstrate that problems must become chronic before taking action					
17	I consider an individual as having different needs, abilities and aspirations from others					
18	I concentrate my full attention on dealing with mistakes, complaints and failures					
19	I keep track of all mistakes					
20	I get others to look at problems from many different angles					
21	I articulate a compelling vision of the future					
22	I re-examine critical assumptions to question whether they are appropriate					
23	I express satisfaction when others meet expectations					
24	I expresses confidence that goals will be achieved					

Rater Booklet (MLQ)- by Bernard M. Bass and Bruce J. Avolio

**Schedule of Interview Questions**

1. What is your current job title?
2. What leadership style do you use?
3. What is the difference between a leader and a manager?
4. How do you measure success for you as a leader?
5. How do you encourage the development of your employees?
6. What is the most significant change that you brought to an organization?
7. How often do you feel it's necessary to meet with your team?
8. Have you ever been a member of a successful team? If so, describe the role you played on the team and in its success.
9. Do you think your leadership style is linked with the Organization values and objectives?
10. What are the three most important values you demonstrate as a leader?

**Appendix G: Multifactor Leadership Questionnaire (MLQ) and Performance Rater Questionnaire**

**Multi-factor Leadership Questionnaire (MLQ) & Performance Rater Questionnaire**

**DIRECTION:** This survey is designed to describe your leader's leadership style as you perceive it. Please fill in the below questionnaire by marking the box that is more appropriately fits you.

Remember that no individuals will be identified from their response and there are no requests for confidential information included in the questionnaire.

The person I am rating ...	0 Not at all	1 Once in a while	2 Sometimes	3 Fairly often	4 Frequently if not always
1 Provides me with assistance in exchange for my efforts					
2 Fails to interfere until problems become serious					
3 Focuses attention on irregularities, mistakes, exceptions, and deviations from standards					
4 Talks about their most important values and beliefs					
5 Seeks different prospective when solving problems					
6 talks optimistically about the future					
7 Instills pride in me for bring associated with him/her					
8 Discusses in specific terms who is responsible for achieving performance targets					
9 Waits for things to go wrong before taking action					

A CRITICAL STUDY OF THE IMPACT OF ARAB LEADERSHIP STYLES ON ORGANISATIONAL & EMPLOYEE'S PERFORMANCE

10	Specifies the importance of having a strong sense of purpose					
11	Spends time teaching and coaching					
12	Makes clear what one can expect to receive when performance goals are achieved					
13	shows that he/she is a firm believer in "if it ain't broke, don't fix it"					
14	Talks enthusiastically about what needs to be accomplished					
15	Treats me as an individual rather than just as a member of a group					
16	Demonstrates that problems must become chronic before taking action					
17	Considers me a having different needs, abilities and aspirations from others					
18	Concentrates his/her full attention on dealing with mistakes, complaints and failures					
19	Keeps track of all my mistakes					
20	Gets me to look at problems from many different angles					
21	Articulates a compelling vision of the future					
22	Re-examines critical assumptions to question whether they are appropriate					
23	Expresses satisfaction when I meet expectations					
24	Expresses confidence that goals will be achieved					

Rater Booklet (MLQ)- by Bernard M. Bass and Bruce J. Avolio

<b>Performance</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
	<b>strongly disagree</b>	<b>Disagree</b>	<b>Sometimes</b>	<b>Agree</b>	<b>strongly agree</b>

A CRITICAL STUDY OF THE IMPACT OF ARAB LEADERSHIP STYLES ON ORGANISATIONAL & EMPLOYEE'S PERFORMANCE

1	My work speed is satisfactory					
2	I search for fresh new ways of resolving problems in a task					
3	I am always recognized for the quality of my work					
4	I enjoy my work					
5	I understands on a daily basis what needs to carry out on job, and what tools are to be used					
6	I understands work goals and requirements					
7	I come up with and try new ideas at work					
8	My manager is satisfied with the quality of my work					
9	I am always excited while carrying out my job					
10	I am always able to complete quantity of work on time					
11	I have sufficient job know-how to carry out work adequately					
12	I try to question old ways of doing things in work					
13	I stick to old established habits when carrying out a job					
14	I Stick to established rules and procedures when carrying out a job					
15	I enjoy co-operating with my supervisor(s) and peers for the benefit of the work					
16	I am always focused and give best of the job					
17	I understand my job responsibilities					

Work Performance- by Suliman, A. M. (2001)



## **Appendix H: Cover Letter**

### **Questionnaire**

**Dear Sir/Madam,**

This questionnaire gives you the opportunity to express your view on a wide range of issues related to leadership style and the work performance. Please note there is no right or wrong answers.

The questionnaire will be used to collect the primary data needed for a research study. Therefore, we seek your assistance to be as open, fair, honest as possible as you can in your responses.

The researcher assures you that no individuals will be identified from their response and there are no requests for confidential information included in the questionnaire. The result of the analysis will be strictly used by the researcher for study purpose only.

The questionnaire comprises three parts:

1. General Information
2. Leadership Style
3. Employee Work Performance

Thank you,

**Researcher**