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Leadership Styles in Palestinian Large Scale Industrial Companies

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Birzeit – Palestine

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Submitted in partial fulfillment of the requirements for the Master Degree in Business Administration from the Faculty of Graduate Studies at Birzeit University – Palestine

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DEDICATION

To the memory of my Father, whose inestimable love, efforts, sacrifices, and lessons were, and still, the boat that saved me from drowning into the seas of darkness; and the means through which I soared into the untrodden paths of life; and whose soul is still exalting me towards the glorious peaks of serenity and knowledge, since as he taught me, nothing reaches the peak save those who are pure, serene, and seek to know themselves.

To my Mother, whose glorious deeds and majestic sacrifices have made a thing out of nothing, and created a man out of an ignorant child; and whose prayers, warm love, and endless support were, and still are, the light through which I behold, and the air through which I continue to be.

To them, who had hands to give, but not to take; and hearts to love, but not to hate; I do dedicate this work, but still, the unspoken words remain sweeter than whatever had been, or to be said.

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THESIS ABSTRACT

Introduction

The study of leadership has seen tremendous growth in recent years in the field of business and in the emerging interdisciplinary field of leadership itself. The study of leadership has progressed from initially being focused upon the traits of leaders, to the examination of leadership behavior, and finally, to the development of contingency theories that recognize leadership as, ultimately, contextual or situational.

The study and implementation of leadership skills is so very much needed for successful business ventures in today's global economy. Therefore, this study adopted the concept of transformational and transactional leadership that was introduced by MacGregor Burns (1978) and developed by Bernard Bass (1985), in an attempt to study and explore the leadership styles utilized in the large scale Palestinian industrial institutions.

Statement of the Problem

The study is intended to provide answers to the following specific research questions:

1. What is the profile of the Palestinian Industrial Sector leaders as to age, gender, type of relationship with the company, educational background, managerial experience, length of service in current position, length of service in current company, and the legal status of the company?
2. Which leadership styles are utilized by Palestinian Industrial Sector leaders?
3. Are these styles determined by the leaders' profiles, characteristics, traits, and behaviors, or by some other factors such as followers' characteristics or situational factors? In other words, is there any relationship between the demographic profile of the rated leaders and the style of leadership they

employ?

4. What is the prevailing style of leadership in Palestinian Industrial Sector, and how does it contribute to the success or failure of these institutions?

Answers to these questions will contribute both to management science, and the business practice, especially in the transitional countries. The study will attempt to answer these questions through the analysis of data gathered utilizing the Multifactor Leadership Questionnaire (MLQ) Rater Form 5X-Short (Bass & Avolio, 1995).

Objectives of the Study

The lack, if not the absence, of empirical research on leadership issues in Palestine makes the understanding of optimal leadership styles an important problem and immense obstacle in face of development and progress. The main purpose of this study is to highlight this issue through identifying the leadership styles, techniques and practices in the Palestinian industrial sector and try to find the optimal style most suitable to this country.

Diagnostic Model

Bass' Full Range Model of leadership was estimated to be the most appropriate for this research, since it covers a full range of leadership behaviors and styles from the highly transformational to the highly avoidant, and includes a wide variety of descriptive factors that encompass most of the variables used in the various studies conducted on leadership through the different leadership approaches from the traits, passing through the behavioral and situational to the contingency approaches (Avolio & Bass, 1991).

Research Method Used

The main research purpose for this study is a descriptive one that is intended to ascertain and describe the characteristics of Palestinian industrial leaders and their leadership styles. The questionnaire survey form and the personal interview were the main instruments used to elicit data and information for analysis, and to form the conclusions and recommendations of the study. The data that was elicited through the survey instruments produced both quantitative and qualitative data. Thus the rational choice was to adopt the triangulation methodology that permits dealing with both types of data from different perspectives and through different statistical measures, and this, in result, will lend much scientific rigor to the study.

Findings of the Study

The findings of the study after the in-depth analysis of the survey responses were as follows:

1. 48.9% of the rated leaders were above the age of 50 years, all of them were males, 44.4% of them were owners of the responding companies, and only 13.3% were employees. 37.8% of the companies were private corporations, 33.3% were sole proprietorship, 20% were public corporations, 6.7% were partnerships, and 2.2% were cooperative companies. One third of the leaders were without higher education (Tawjihi or less), 13.3% had a two-year college degree, and 53.3% had a university degree. 71.1% of the leaders were without any previous managerial experience, 22.2% had 1-5 years of experience, and 6.7% had 6-10 years of experience.
2. Transactional leadership style was found to be the most frequently used leadership style among the leaders of the Palestinian industrial companies.

60% of the leaders were rated as being transactional leaders, 28.9% were rated as transformational leaders, and 11.1% were rated as laissez-faire leaders.

3. Transformational leadership style was exhibited less frequently than transactional leadership, and laissez-faire variables of leadership were noted as the least commonly occurring leadership style.
4. Although laissez-faire leadership was found to be the least observed leadership characteristic among the targeted leaders, it was noted significantly more frequently among the leaders with low educational background, low previous managerial experience, and employee leaders.
5. Transformational leadership was found to induce the greatest satisfaction, willingness to exert extra effort, and effectiveness among employees.
6. The outcome of the leadership process measured in terms of extra effort, effectiveness, and satisfaction among employees was found to be very low. The mean for this variable among the transactional leaders who formed 60% of the rated leaders was (1.01) which means according to the scale (once in a while). In general, 76% of the respondents had an outcome score below 2 which means (sometimes).
7. A positive linear relationship was found between the outcome of the leadership process, and the transformational leadership style; i.e. as the score of the transformational style increases, the outcome score also increases indicating higher degrees of satisfaction. On the other hand, a negative relationship was found between the outcome variable and the transactional and laissez-faire leadership styles; i.e. as the leader inclines more to utilize the transactional or the laissez-fair style, as the outcome variable decreases, indicating higher degrees of dissatisfaction among employees.

8. The less the leader's educational background, the more he gets prone to engage in transactional leadership (80% of the transactional leaders had Tawjihi or less), and this tendency decreases and moves towards transformational behavior as he gets more educated (66.7% and 29.2% of the transformational leaders had a community college degree and a university degree respectively).
9. The less the leader's managerial experience, the more he gets inclined to utilize the transactional leadership style (68.8% of the transactional leaders were with no previous managerial experience, 40% of them had 1-5 years of experience, and 33.3% had 6-10 years of experience).
10. The more the leader's managerial experience, the more he moves towards utilizing the transformational leadership style (25% of the transformational leaders were with no previous managerial experience, 30% of them had 1-5 years of experience, and 66.7% had 6-10 years of experience).

Conclusions and Recommendations

Proponents of transformational leadership theory have claimed that transformational leadership is the most effective and efficient leadership style in any setting. The findings of this study indicate that it is certainly the most satisfactory style of leadership, and it can be applied and utilized successfully in the Palestinian context. The significant rating of transformational Palestinian leaders as satisfactory, effective, and efficient suggests the conclusion that leaders with such leadership skills should be sought after by Palestinian institutions. Additionally, educators in higher management education should include the teaching of this leadership theory as an important part of the graduate curriculum. Unfortunately, the findings also indicate that the majority of Palestinian industrial leaders utilize the transactional leadership style, and thus, registering very low rates of satisfaction, effectiveness, and efficiency. This suggests the pressing and vital need for rehabilitation, restructuring, and reform in Palestinian institutions, and serious pursuit among Palestinian leaders towards developing their leadership concepts and skills so as to achieve success, prosperity, and distinctiveness for their institutions in this competitive and ever-changing global economy.

ملخص الرسالة

يعيشُ العالمُ اليومَ تحوُّلاتٍ عميقةً ومستمرةً في تعاظُمِها لِتَشمَلَ كافَّـةَ الجوانـبِ الاقتـصاديةِ والاجتماعيةِ والسياسيةِ معتمدةً أساساً على ثورةٍ تكنولوجيةٍ تفوقُ انعكاساتُها كُلَّ التصوّرات ، وقد انعكست بشكلٍ مباشرٍ على طبيعة دور الدول والحكومـات والمؤسـسات الاقتـصادية بقطاعيها العام والخاص والعلاقة بينهما . فلم يعد دور الحكومات – لا سيما في دول العـالم الثالث – مقتصراً على الممارسات التقليدية ، بل تعدّى ذلك ليـشملَ قطاعـاتٍ اقتـصاديةً واجتماعيةً ذاتَ أهدافٍ تنموية متعددة . وبناءً عليه ، فقد أضحى لعلاقة التفاعل والشراكة بين القطاع الحكومي والقطاع الخاص دوراً هاماً وحيوياً في عملية التنمية الاقتـصادية المـستدامة وتطوير الخدمات الحكومية وتحديث مؤسسات المجتمع المدني . وتأتي أهمية هذه الشراكة مـن الدور المهم والحيوي الذي يلعبه القطاع الخاص في عملية البناء الاقتصادي لأية دولة ، ومـن المسؤولية الجسيمة التي يضطلع بها نحو تعزيز القدرة التنافسية لهذا الاقتصاد وتمكينه من الثبـات والاستقرار أمام التحديات المحلية والإقليمية والعالمية التي أفرزها نظامُ العولمةِ والـسوقِ الحـرِّ والثورةِ التكنولوجيةِ الهائلةِ التي أضحت أهمَّ سِمَةٍ من سمات هذا العصر المتغيّرِ دوماً والمتجـدّدِ سرمداً ، بحيثُ أصبحَ التغيّرُ والتجدّدُ بمفرزاته واستحقاقاته من المرونة والتحـديث والتطـوير المستمر أهمَّ عنصرٍ من عناصر الإدارة الناجحة . ويُعتبر القطاع الصناعي بصفته الممتلكةِ للنـسبةِ الأكبرِ من مؤسسات القطاع الخاص المحرّكَ الرئيسَ لعجلة التنمية الاقتصادية في أية دولةٍ من الدول ، وفلسطينُ ليست استثناءً في هذا ، بل لربما هي الأحوجُ لأن يلعبَ فيها القطاع الصناعي دوراً مهمـاً وبارزاً في عملية التنمية الاقتصادية والتطوير والبناء . وانطلاقاً من هذا المفهوم ، وهو كون القطـاع

الصناعي الفلسطيني أحدَ المقوّماتِ الأساسيةِ للاقتصاد الفلسطيني بشكل عام ، كما يُعدُّ المُرَشَّحَ الأكبرَ لأن يلعبَ دوراً مهماً ورئيساً في قيادة عملية التنمية الاقتصادية الشاملة ، فلا بدَّ من إعطائه الأهميةَ التي يستحقها ، والتي تتمشى مع الدور المهم والحيوي الذي يلعبه هذا القطاعُ في بُنية الاقتصاد الفلسطيني ، ولا بدَّ من تعزيز التعاون الإيجابي والمسئول بين جميع الأطراف ذات العلاقة من أجل النهوض بهذا القطاع وتطويره سعياً لتعزيز قدرته التنافسية وإعداده لاضطلاعه بكلِّ كفاءةٍ وفعاليةٍ بالمسؤولية المُلقاةِ على عاتقه تجاه عملية التنمية الاقتصادية .

وعليه ، جاءت هذه الدراسة التي حاولت التركيز على دراسة الأنماط القيادية المتبعة في المؤسسات الصناعية الفلسطينية ، لما لهذه الأنماط القيادية وممارساتها من أهميةٍ حيويةٍ في تعزيز القدرات التنافسية لهذه المؤسسات ورفع كفاءاتها الإنتاجية والسلوكية والقيادية . فالقيادة الناجحة من أهم العناصر الواجب توافرها في أية مؤسسةٍ من أجل تحقيق النجاح لها . فمن العبث أن نسعى إلى تحقيق الميزة التنافسية لأية مؤسسةٍ دون توفير القيادة الناجحة لها ، بل إنَّ توفر القيادة الناجحة المدركة والمتفهّمة لأهمية دورها شرطٌ أساسيٌ لنجاح أية عملية تنميةٍ أو تطويرٍ أو تحديثٍ لأية مؤسسةٍ ، سواءٌ كان هذا التطوير أو التحديث في المجالات الإنتاجية أو الإدارية أو التسويقية أو المعلوماتية أو غيرها . فتطبيق أنظمة الجودة الشاملة المختلفة على سبيل المثال لا الحصر ، تشترطُ تفهّمَ القيادة العليا للمؤسسة وانخراطها الإيجابي والفعّال في عملية التطبيق هذه . ثمَّ إنَّ التسارعَ المضطردَ في التطورات التكنولوجية وانعكاساتها على العمليات الإنتاجية والإدارية والتسويقية تستوجبُ قيادةً قادرةً على مواكبة هذه التغيرات والتطورات من خلال تفهّمها وإدراكها لأهمية الدور المُناطِ بها ، ومن خلال تبنّيها لمفهوم التجدّدِ والتحديث المستمر كاستراتيجيةٍ عمليةٍ ومستدامة .

وتحديداً ، حاولت هذه الدراسةُ الإجابةَ على الأسئلة التالية :

1. ما هي العوامل الديموغرافية للقائمين على قيادة المؤسسات الصناعية الفلسطينية من حيث العمر ، الجنس ، الخبرة الإدارية ، الخلفية التعليمية ، نوع ملكية الشركة ، سنوات الخبرة وغيرها .
2. ما هي الأنماط القيادية المتبعة في المؤسسات الصناعية الفلسطينية ؟
3. ما هي العلاقة بين الصفات والمزايا الديموغرافية لقياديي هذه المؤسسات وبين الأنماط القيادية المتبعة ؟
4. ما هو النمط القيادي الأكثر شيوعاً في المؤسسات الصناعية الفلسطينية ، وما هو تأثير ذلك النمط على نجاح أو فشل المؤسسة ؟؟

لقد بدأت الدراسة بعرضٍ لمفهوم الأنماط القيادية وأهميتها في عملية التنمية الاقتصادية ، واستعرضت من أجل ذلك الواقع الصناعي في فلسطين مبينةً الحاجةَ الماسّةَ لديه إلى وجود قيادةٍ ناجحةٍ قادرةٍ على الأخذ بزمام المبادرة نحو التطوير الصناعي والتنمية الاقتصادية الشاملة في فلسطين كخطوةٍ أوليةٍ نحو تأسيسِ اقتصادٍ وطنيٍ مستقلٍ وقادرٍ على المنافسة والثبات في وجه التحدّياتِ والمُعوّقاتِ المفروضةِ عليه والراميةِ إلى تهميشه وتعزيزِ تبعيّته للاقتصاد الإسرائيلي . ثم تطرقت إلى أدبيات البحث واستعرضت النظرياتِ المختلفةَ التي تعاقبت هادفةً إلى توضيح ودراسة مفهومي الإدارة والقيادة ، والدراسات المختلفة التي تناولت هذين الموضوعين . تَمَّ بعد ذلك استعراضُ المنهجية المتبعة لتحقيق غايات الدراسة إذْ قد تم إتباعُ المنهج الوصفي التحليلي لدراسة وتحليل البيانات اللازمة لاستخلاص النتائج والإجابة على أسئلة البحث ، وتم تجميع البيانات اللازمة للدراسة من خلال استخدام استبانةٍ خاصةٍ

بدراسة الأنماط القيادية وهي "الاستبانة القيادية متعددة العوامل" (MLQ) ، والتي ابتكرها الباحث والكاتب برنارد باس (1985) ، بالإضافة إلى مقابلةٍ أجراها الباحث مع قياديي المؤسسات الصناعية المشمولة في العينة الدراسية .

وبعد تحليل البيانات واستخلاص النتائج ، عكست الدراسة جملةً من الحقائقِ والمعوّقاتِ التي يعاني منها القطاعُ الصناعيُّ الفلسطيني ، وقد تركزت هذه المعوّقاتُ ، حسب موضوع الدراسة ، في التشوّهات الهيكلية لهذا القطاع من ناحية الأنماط القيادية المتبعة والممارسات الإدارية وآثارها على العملية الإنتاجية بمواردها المادية والبشرية ، إضافةً إلى الآثار السلبية الناجمة عن هذه الأساليب والممارسات الإدارية المتبعة ، والتي تمثّلت في انتشار ظاهرة عدم الرضا الوظيفي بين العاملين ، وبالتالي تدنّي إنتاجيتهم وكفاءتهم وضعف أدائهم الوظيفي بشكلٍ عام . وقد أدت هذه التشوّهات بالتالي إلى عدم قدرة هذا القطاع على القيام بدورٍ بارزٍ في عملية التنمية الاقتصادية ، وإلى الارتفاع الملحوظ في تكاليف الإنتاج بشكلٍ عامٍ ، وتدنّي القدرة التنافسية للعديد من المنتجات الصناعية الفلسطينية سواءٌ في الأسواق المحلية أو الخارجية . ويُدلّلُ على هذا الأداءِ الضعيفِ ما أوردته مؤشراتُ البنك الدولي (1996) عن مساهمة القطاع الصناعي في الناتج المحلي الإجمالي لفلسطين والتي لم تتجاوز 7.6% .

وفي المحصّلةِ فإن القطاعَ الصناعي الفلسطيني بهيكلته وبُنْيتِهِ الحاليةِ وأنماطه القيادية المتبعة وسلوكياته الإدارية غيرُ مؤهّلٍ للقيام بفعاليةٍ وكفاءةٍ بالدور المُناط به والمأمولِ منه في عملية التنمية الاقتصادية الشاملة والمستدامة ، وبناءِ اقتصادٍ وطنيٍ قويٍ ومستقلٍّ ، وقادرٍ على المنافسة والثبات في وجه التحدّيات المفروضة عليه محلياً وإقليمياً وعالمياً ، والراميةِ إلى تهميشه وتعزيز تبعيتِهِ للاقتصاد الإسرائيلي بحيث يبقى اقتصاداً استهلاكياً لا مُنتجاً ومُنافساً . وعليه ، لا بد للقائمين على قيادة هذه المؤسسات الصناعية من تطوير مفاهيمهم القيادية واعتمادهم لمنهجية التغيير قناعةً منهم بحتميّتها ، ومبتدئين في

ذلك بأنفسهم من خلال التطوير الذاتي وتحديث القدرات القيادية والإدارية ، هذا إذا أرادوا لأنفسهم ومؤسساتهم واقتصاد بلدهم النمو والتطور والازدهار ، إذْ لا يمكن لعملية التنمية والتطوّر أن تتمَّ دون وجود الإنسان القادر على تطوير ذاته قبلَ أن يقومَ بقيادة الآخرينَ نحوَ التطوُّر .

THE THESIS

Chapter One

1.1 Introduction

The deterioration of Palestinian economy and industry started early within the first stages of industrial initiation in Palestine. It has been an outcome of a long story of historical events, political relapses, and military debacles that started earlier within the outset of the previous century and continued to the present moment. Beginning with the successive waves of Jewish immigration to Palestine, before and after Bilfor Declaration in 1917; the General Strike and Uprising of 1936; the establishment of the state of Israel in 1948; the June War of 1967; the Intifada (Uprising) of 1987-1993; the Arab-Israeli peace negotiations; the establishment of the Palestinian National Authority; and the second Intifada (Al-Aqsa Uprising) of September 2000 to date, resulting in the reoccupation of the Palestinian cities by the Israeli Forces that transformed these cities into isolated small cantons through the strictly imposed military restrictions and closures.

Starting from 1993, and the establishment of the Palestinian National Authority, things began to change and take a new direction toward rebuilding and restructuring; though, this stage of rebuilding did not last long enough. New challenges emerged, and new restrictions were imposed, both by the Israeli Forces and the National Authority, which adopted the open market policy. Thus, the Palestinian industries became compressed under a heavy and considerable stress due to Israeli measures and the severe competitive environment represented by the value-added competitors from Israel, low-cost labor intensive neighboring Arab Countries and other Western countries.

Several studies have been conducted on the Palestinian industrial sector during the last 20 years, most of which concluded that measures imposed by the Israeli occupation posed the biggest obstacles to development of this sector as well as the whole Palestinian economy (Nasr, 1997; Sabri, 1999; Nasr, 2002; Nasr,2003). Nasr (1995) concluded that the small Palestinian businesses have the potential to operate more efficiently once they are endowed the full opportunity. Baidoun (2000) mentioned that since 1993 the changes in the economic climate forced Palestinian businesses to focus on their need to build new strategies and address new competitive advantages if they are to respond to the imposed challenges.

Besides the above mentioned challenges intrinsic to Palestinian industry, there are also the new challenges posed by the powerful worldwide changes that have altered the business environment. Starting by the emergence and strengthening of the global economy, passing through the transformation of industrial economies and societies into knowledge and information-based service economies, then the transformation of the business enterprise from a hierarchical, centralized and structured arrangement of specialists to a flattened, decentralized and flexible arrangement of generalists, and finally the emergence of the digital firm in which almost all of the organization's significant business relationships and core processes are digitally enabled and mediated through digital networks.

Being aware of all these challenges and obstacles, the Palestinian industrial leaders began seeking new techniques, tools, procedures and strategies to help them become more competitive and efficient and enable them to stand firm and proceed in the face of all these challenges that surround their industry. A vital component in the strategy for a competitive industrial sector relates to the amazingly deficient level of corporate governance which characterizes most of the Palestinian establishments. If these companies are to stand a real chance of attaining a level of competitiveness in part with international standards, then they have a thick and urgent homework to do, not only in modernizing their production facilities, but also in their outmoded structures of corporate governance. Thus, one of these new techniques that should be sought, and one important challenge that should be addressed is leadership in the Palestinian industrial institutions, and its ability to successfully move the industrial sector to a higher level of performance, providing it with new and comprehensive vision, and empowering it with the ability to translate that vision into reality.

There is no doubt that in such a competitive and quickly changing business environment, the effective leadership becomes one of the most critical needs and requirements. Such an environment of rapid change requires much more innovation, creativity, and individual thought and initiative. Prescriptions, policies, and procedures no longer exist to help leaders decide what to do in what situation, if they ever did exist in reality. It is less likely today, than in the past, that leaders will face the same situations frequently enough that prescriptions would be of value. It is suggested that tomorrow's leaders may need to hold visions, values, assumptions and paradigms that are in agreement with having a team-oriented, empowered workforce in order to be most successful. Without the vision and values that support the organizational structures of the future, leaders may not be equipped to make decisions in line with that structure.

The new view of organizations is much more complex and less predictable, calling for a new view of leadership. Organizations and systems are now seen as interdependent, complex and diverse. They are seen as consisting of informal and tenacious cultures that are much more impervious to change than the people and resources they contain. In the corporate world, the environment is made of a complex network of customers, suppliers, and interlocking markets. It is subject to sudden, unpredictable change, and it is well-known that a critical element in responding to changing conditions and/or implementation of any change effort is to have effective leaders who are able to articulate a vision, motivate the aligned energy of groups of people, negotiate resources, resolve conflicts, keep the change process moving in the desired direction, and stimulate appropriate adjustment to ever-changing conditions. Effective leadership is a crucial key to success, and the ability to innovate and flex strategies is imperative. The game is no longer winnable using strict win-lose strategies, a new model of leadership is needed to match all these new organizational conditions, and lead the enterprise along the way to success. A more democratic style of leadership is required, where openness and accountability is exercised; a leadership style that is effective in coping with change, effective at all levels, and based on trust; a leadership style that is able to transform the people to achieve more than only the required, and is able to demonstrate greater empathy and concern for human issues. Leaders of the 21st century should adopt such a style if they want to succeed and be effective in achieving their organizations' outcomes (Hooper & Potter, 2000).

1.2 Palestinian Industry: Background & Reality

Industrial movement in Palestine began earlier within the outset of the last century, during the British Mandate on Palestine, and took simple and modest forms of manufacturing and craftsmanship. It was humble in terms of scale, size, technology, products, number of workers involved, and its contribution to national product. The publications of the Palestinian National Information Center – State Information Service (SIS) (1999) indicated that Arabs possessed only 45% of the total industrial companies in Palestine in 1942, which were producing foods and beverages, soap and olive oil products, apparel, carpets and textiles. Nevertheless, Palestine witnessed during that period an industrial progress that surpassed the growth rates of the neighboring countries. As an example, the number of industrial workers increased from 1600 workers in 1912 to 149000 in mid 1940s, and the number of industrial institutions increased from 1236 companies to 3474 during the same period (PCBS, 1997). In 1965, the number of industrial companies in West Bank reached 3026 firms, with the main types being: foods & beverages: 1009 establishments; furniture: 634 establishments; rubber & shoemaking: 486 establishments; metal products: 466 establishments; and apparel: 431 establishments (SIS, 1999). During the period 1967 to 1984, the Palestinian industry did not witness an obvious growth due to the measures and obstacles imposed by the Israeli occupation on the Palestinian economy, which aimed to make it an attached economy of a pure consumer society (Nasr, 1997). As a result, the number of industrial establishments regressed from 3026 in 1965 to 2081 in 1986 in West Bank alone (SIS, 1999). With the coming of the Palestinian National Authority in 1993, new trends began to take place at the investment theater in Palestine, which witnessed an obvious growth in the number of industrial institutions. The accounts of the Palestinian Central Bureau of Statistics indicated that the number of industrial companies in Palestine increased from 11276 in 1995 to 14471 in 1998 and became 14509 in 2000, with a growth rate of about 28.33% (PCBS, 2002).

During the past 20 years, various studies have been conducted on the Palestinian industrial sector, most of which concentrated on pointing out the major obstacles facing this sector, its financial aspects, and the general features that describe it. Sabri (1998; 1999) reported the following general features of Palestinian industry:

- Palestinian industrial sector makes a minor contribution of about 7.6% of Gross National Product as for the year 1994 (Nasr, 1997).
- The industrial sector in Palestine includes 13809 companies (PCBS, 2002), of which 90% are classified as small manufacturing establishments with less than 10 employees, 7% employ between 11 to 20 employees, and only 3% employ above 20 employees.
- The sector operates at about 40% of its normal capacity, and the average net profit margin ranged from 15% to 25%.
- Palestinian factories were established exclusively by the private sector with some public contribution from 1967 to 1993, and the main source of finance was private savings and transfers from Palestinian expatriates.
- 26% of the manufacturing establishments were founded by entrepreneurs with no previous technical experience; 28% were founded by experienced investors; 17% were working in trade and expanded into industry using backward integration; 16% were small workshops that developed into small-scale industries; 9% were based on employee entrepreneurship; and 4% as other types of ventures.
- 2% of the Palestinian manufacturing establishments were organized as Public Corporations; 65% as Private Corporations; 18% as Partnerships; 14% as Sole Proprietorships, and 1% as Cooperative.

- 94% of the Palestinian manufacturing establishments are found to be family businesses, and this characteristic applies to all industry groups as well as the three scales of industry, including establishments with 100 employees or more.
- Due to their nature of being family businesses, a substantial portion (about 32%) of the Palestinian manufacturing establishments were found to have management conflict, either at the first or the second generation of the founders.
- A substantial part of the establishments (about 31%) work as subcontractors to other firms outside the West Bank.
- Domestic raw materials used for the manufacturing sector accounted for 11% in 1995, while 89% of the materials needed for industries were imported from outside the West Bank.
- On average, 65% of the machines and equipments used for manufacturing are either rebuilt or old, while only about 35% were acquired as new ones.
- On average, 26% of the Palestinian factories use rented premises in the form of regular shops and apartments in residential and commercial buildings that are not designed for manufacturing establishments.
- On average, 60% of industrial products are distributed through Factory Outlets, 2% through Retail Outlets, 17% through Sales Representatives, and 21% through Exclusive Agents.
- On average, 48% of the Palestinian manufacturing industry use their own brands, 22% use generic brands, 24% use contractors' brands, and 6% use piracy branding to give customers the impression that the product is manufactured outside the country.
- On average, 16% of industrial sales are sold on cash basis, 37% on credit for

30 days, 40% on credit for 60 days, and 7% on credit for 90 days or more.

1.3 Importance of the Study

The bulk of the studies conducted on Palestinian industrial sector during the past 20 years have focused on describing this sector as well as pointing out the major obstacles facing it (Nasr, 1997; Nasr, 2002; Sabri, 1998). Most of these studies indicated that measures imposed by the Israeli occupation posed the biggest obstacles to development of this sector (Saadler et al. 1983; Haifa, 1989; Efttami, 1993; Nasr, 1997; Nasr, 2002; Nasr, 2003). Other studies indicated that the major disadvantage of this sector was its use of only 50% of its normal capacity (Saadler et al., 1984; Nasr, 1997; Sabri, 1998). Still other studies pointed to the barriers and difficulties of exporting goods outside Palestine (Bahiri, 1987; Nasr, 1997; Nasr, 2002), while others reported the decreases in returns to scale over time between 1968 and 1989 (Efttami, 1993).

It is apparent that none of the conducted studies tried to study the organizational leadership in Palestine, which is one of the most important factors determining the success of any enterprise; hence, leadership issues gained wide coverage in the contemporary management theory. Furthermore, the particularity of the Palestinian industrial sector as being in its majority a family-owned-business makes it in an urgent and pressing need to an effective leadership that will be able to successfully lead it through the waves of change that rage around it. A commonly stated fact unique to family-owned businesses is that less than 30 percent of them survive the succession from their founder to the second generation, and less than 10 percent of them transit to the third generation. In fact, it was suggested that the average family-owned business survives for only 24 years (Treitz, 2001); this suggestion can be supported by the reality of the Palestinian family-industrial companies among which 32% were found to be having management conflict either at the first or the second generation of the founders (Sabri, 1998; 1999). Mix those statistics with the nature and peculiarity of the Palestinian economy, and one can quickly see that a success formula is urgently required, in which effective leadership can serve as the key factor.

The concept of leadership in family-owned businesses is one that occurs through osmosis; leaders become leaders simply by virtue of family ties and the positions they hold. This drives one to believe, at least from the perspective of the family-owned businesses succession planning, that leadership can be bequeathed, either with or without proper planning. Thus, an understanding of the diverse leadership styles will help provide some perspective on what style to use in a given situation, including getting through ownership transition and economic shifts. Furthermore, it should be stated that the next generation leaders of our economy will excel only, and only if, they acquire an integrated leadership approach using a combination of styles and traits. Unlike the senior generation, who created the business from the scratch, and typically did not have the chance to be a student of the art and science of leadership, next generation leaders should work hard to develop the necessary knowledge, skills and experiences they need in order to gain the voluntary participation of employees to reach company objectives.

Another important issue is the turbulent and unstable environment that swaddles the Palestinian economy; an environment that is characterized by rapid change, unexpected economic conditions, and high rates of variances among future anticipations. The success in managing such an environment requires an efficient vision and ability to transform that vision into reality and significant actions, which are key dimensions of effective leadership. For the Palestinian economy to prosper there is a pressing need for effective leaders that are able to use their vision to build a bridge from the fluctuant present to the promising future; leaders that are able to envision some desired future state of being, and inspire others to understand and share that vision; leaders who are able to view the present in terms of its long-term implications, and perceive their accountability to be defined in terms of future change, progress, and results.

A further important issue is the complex, confusing, and frustrating semi-life that the Palestinians have, which not only makes them over-stressed but burnt-out. This state of being, which is deeply rooted in almost all Palestinians, has its major negative impacts on their productivity and efficiency, and will eventually become a major obstacle and devastating tool facing any attempt of development and progress. This stress factor and its negative impacts was stated by most of the studies that were conducted about this issue; almost all these studies concluded that stress can have devastating effects on nearly all aspects of human behavior and organizational functioning (Greenberg & Baron, 2000). Such situation calls for the need of effective leaders who can successfully manage stress and take initiative steps to at least minimize its adverse effects on both employees and organizations. It is a well known fact that when a group faces stress, it demands decisive and directive leadership, because the followers may perceive that there is no time and/or ability to generate and evaluate alternative routes of action. Hemphill (1950) found that, in stress environment, leaders who failed to make decisions quickly were immediately replaced. Similar findings were obtained by Korton (1962). In order for people to be happy in their work, they must be fit for it; they must not do too much of it; and they must have a sense of success. Since leaders are primarily responsible for ensuring that these three elements exist for their followers or subordinates, it is important to understand the link between effective leadership and stress, and that stressed leaders create stressed organizations and employees.

Complex events, chaotic developments and trends in our modern world, globalization, fierce competition, the continuing explosion of information and technology, and the economic and social upheaval, besides the peculiarity of the Palestinian situation are confronting the business leaders with a compelling need for a competitive advantage, which cannot be attained without effective leadership that is at the heart of guiding organizations with sound strategies for the sustainability of superior competitive performance and long term prosperity. It is no longer valid, nor sufficient to rely on structural change or sound investment strategies on capital equipment and pioneering technologies so as to gain a competitive power. In the 21st century, the challenge lies in the leaders' ability to transform in a radical way the cultures, attitudes, objectives, and methods of working. Thus, the message is clear: If survival is the aim, then leadership is the game; and it is all a game of power: use it well or you will lose it; lead by it, or you will be led by it. Finally, the last few years have witnessed an increasing interest in leadership studies. Most of which have shown that there is a great need for leadership in organizations. The phrase "over-managed and under-led" seems to provide the best summary of the reason for the growing interest in leadership.

1.4 Statement of the Problem

There are currently 13809 industrial establishments in Palestine (PCBS, 2002), 97% of which are classified as small and medium scale industries with 20 or less employees, and are not more than small businesses, craft workshops, and ateliers that are run by the owners and the members of their families besides some paid workers (Nasr, 1997; Sabri, 1998; Sabri, 1999; Nasr, 2002; Nasr, 2003). This fact does not sound strange if we compare it with other figures in the world. In USA, for example, nearly 90% of all U.S. businesses have no more than 20 employees. In Germany, the small businesses produce two-thirds of the nation's gross national product and employ four out of every five workers. Small businesses also play major and important roles in the economies of Italy, France, and Brazil (Scarborough & Zimmerer, 1996; Ebert & Griffin, 1998). Nevertheless, there is no standard and unified definition of "small business", and the term defies easy definition because smallness is relative. The definition varies from one country to another, from one context to another, and from one field of operations to another. In USA, for example, the Small Business Administration (SBA) defines the small business as one that is independently operated and does not dominate its field of operation. It bases its definition on two factors: number of employees and annual sales. The U.S. Department of Commerce considers a business small if it has fewer than 500 employees (Scarborough & Zimmerer, 1996; Ebert & Griffin, 1998). In the Palestinian context many researchers and experts consider the small and medium scale industries as those having less than 20 employees (Nasr, 1997; Sabri, 1998; Sabri, 1999; Nasr, 2002, Nasr, 2003). For purposes of this study, which attempts to explore the leadership styles in Palestinian industrial sector, these small and medium scale industries which account for 97% of the total Palestinian industries, will be excluded from the research. This does not mean that we ignore the major role, importance and contribution of such businesses to the overall Palestinian economy. It is well known that small businesses in any country do play an important role in shaping its economy, and many experts agree that small businesses will be of a very important role in the emerging economies of transitional countries (Scarborough & Zimmerer, 1996; Ebert & Griffin, 1998). But they will be excluded for the following reasons:

1. They have no distinction between ownership and leadership; the owners are usually themselves the leaders and managers of the business and most often without previous managerial experience and competence.
2. They are usually closed systems and do not disclose any information or data.
3. They usually do not have organizational structures, functional departments, administrative positions, or systemized activities and managerial procedures.
4. There is no leadership in its generic framework in such businesses; all that can be found is a mixture of ownership obligations and daily activities of running a small business.

Therefore, based on the above mentioned characteristics of small scale businesses, this study will concentrate only on the large scale Palestinian industries that employ more than 20 employees. It is assumed that such businesses do have a clear organizational structure, administrative positions, functional departments, and leadership activities, which will positively contribute to the purposes of the study.

Another important characteristic of Palestinian industries is that 94% of them are considered family-owned businesses. As we noted earlier, a unique characteristic of the family business is that it takes the issue of leadership as granted by virtue of family ties and heritage, without any consideration to proper planning and scientific qualifications. This exposes the future of organizations to high rates of risk and probability of being split out between future generations rather than having the opportunity to grow and develop. Another equally important characteristic is that only 28% of the Palestinian institutions were initiated by experienced entrepreneurs (Sabri, 1999), which means that the vast majority of these institutions are threatened by lack of experience, competence, and proper managerial knowledge. Add to these statistics what we have mentioned in the previous prologue about the peculiarity of the Palestinian economy and its turbulent environment, and one can obviously notice the pressing need of this economy to effective leaders who are able to successfully go through all this change that we witness and create positive desired results. After all, leadership issues are of special significance to the transitional economies, taking into account that they are only developing their entrepreneurial economy. This is the case of the Palestinian economy that is going through a course of transition from being an isolated economy under occupation to an open economy under a new emerging national state. Thus, there is a critical need to start drawing the broad lines that will shape the future of this economy. Among these lines is the concept of leadership and its great impact on the chances of success or failure. How much does the leadership style contribute to such a success or failure, and how appropriate is it to the demand of the upcoming 21st century? This is a central issue addressed by this research, which is intended to provide answers to the following specific research questions:

1. What is the profile of the Palestinian industrial sector leaders as to age, gender, type of relationship with the company, educational background, managerial experience, length of service in current position, length of service in current company, and the legal status of the company?

2. Which leadership styles are utilized by Palestinian industrial sector leaders?
3. Are these styles determined by the leaders' profiles, characteristics, traits, and behaviors, or by some other factors such as followers' characteristics or situational factors? In other words, is there any relationship between the demographic profile of the rated leaders and the style of leadership they employ? This question can be answered by assuming the following null hypothesis:
   - There is no statistically significant relationship between the utilized leadership style and the profile of the leader in terms of his traits and behaviors, the characteristics of the subordinates, or the situational factors.
4. What is the prevailing style of leadership in Palestinian industrial sector, and how does it contribute to the success or failure of these institutions? This question can be answered by assuming the following null hypotheses:
   - The majority of Palestinian industrial leaders are not transactional in their behavior and prevailing leadership style.
   - There is no statistically significant relationship between the utilized leadership style and the outcomes of that style in terms of extra effort, effectiveness, and satisfaction among employees.

Answers to these questions will contribute both to the management science, and the business practice, especially in the transitional countries. The study will attempt to answer these questions through the analysis of data gathered utilizing the Multifactor Leadership Questionnaire (MLQ) Rater Form 5X-Short (Bass & Avolio, 1995).

1.5 Objectives of the Study

Having an effective leader is critical for a firm to thrive and perform well. Further, it is now well established that different types of leaders exist, and a growing body of literature shows that different types of leaders are more common or more effective in different countries (Bass, 1990). The lack, if not the absence, of empirical research on leadership issues in Palestine makes the understanding of optimal leadership styles an important problem and immense obstacle in face of development and progress. The main purpose of this study is to highlight this issue through identifying the leadership styles, techniques and practices in the Palestinian industrial sector and try to find the optimal style most suitable to this country.

The other objectives that are thought to be sought by this study are:

1. To identify the factors that are critical to effective leadership based on the up-to-date existing knowledge of the art and science of leadership. This requires a thorough and deep review of the available literature.
2. To assess the degree to which these critical factors of effective leadership are deployed and implemented effectively and efficiently by Palestinian industrial leaders.
3. To identify the strengths and weaknesses of Palestinian industrial leaders to serve as a basis for formulating guidelines to improve their performance.
4. To identify which leadership style is perceived to be most effective in the Palestinian industrial sector, based on the idea suggesting that different leadership styles are effective in different national contexts and situations (Bass, 1990).
5. Finally, to help Palestinian industrial leaders in formulating leadership

development programs which have become increasing priorities for both business and government organizations.

1.6 Theoretical Base of the Study

Documentation indicates that the study of leadership theory has been of interest to educators, administrators, businessmen, politicians, and historians since the time of Confucius in 5000 B.C. While citing over 3000 studies in the present era's literature, Bass (1990) indicates that the discussion of leadership can be found in the Greek and Latin classics, the Old and New Testaments of the Bible, the writings of the ancient Chinese philosophers, and in the early Icelandic sagas. Even the famous poet, artist and playwright William Shakespeare did not neglect the issue of leadership in his literary works. In fact, this issue was at the heart of almost all his literary works, especially the plays such as "Julius Caesar", "King Lear", "Macbeth", "Othello", "Richard III", "Henry V" … et al. The vast bulk of Shakespeare's literary works pivot around a central and main interior theme of leadership and power. They examine the politics of leadership and the consequences of the pursuit and execution of power, and have to teach leaders about the use and abuse of power, the skills of communication and persuasion crucial to a leader's success in achieving objectives, and reconciling and balancing values and responsibilities (Whitney & Packer, 2000). In short, the importance of leadership roles in all group endeavors has led to the development, over time, of a large variety of theories pertaining to leadership.

One influential study was that carried out by Bernard Bass (1985), who was inspired by the work of James MacGregor Burns (1978) and his introductory of transformational and transactional leadership styles. Bass expanded on the work of

Burns and introduced the Full Range Model of leadership which includes leadership styles that are highly transformational at one end, to those that are highly avoidant at the other end. He proposed nine variables through which one could identify the exhibited leadership style. These variables are:

- Idealized Attributes.
- Idealized Behaviors.
- Inspirational Motivation.
- Intellectual Stimulation.
- Individualized Consideration.
- Contingent Reward.
- Management-by-Exception (Active).
- Management-by-Exception (Passive).
- Laissez-Faire.

The first five of these variables describe the transformational style, the next three describe the transactional style, and the last one describes the avoidant style. These factors were examined with positive results in terms of validity and reliability (Bass & Avolio, 1995). Whether these styles exist in the Palestinian industrial context, and whether they are employed and positively implemented by the Palestinian industrial leaders, is the theoretical basis for this research.

1.7 Diagnostic Model

Diagnosis of the leadership styles is a complex task in each particular case, which motivated many researchers to develop adequate diagnostic models. However, employing the assumption that the leaders in transitional countries incline more strongly to the rigid leadership styles (Burns, 1978), and considering the fact that many positive correlations were found between the rigid leadership styles and productivity (Bass, 1990; p. 421), Bass' Full Range Model of leadership was estimated to be the most appropriate for this research, since it covers a full range of leadership behaviors and styles from the highly transformational to the highly avoidant, and includes a wide variety of descriptive factors that encompass most of the variables used in the various studies conducted on leadership through the different leadership approaches from the traits, passing through the behavioral and situational to the contingency approaches (Avolio & Bass, 1991). Bass has developed certain ideas and approaches significant for the comprehension of leader's behavior. He viewed the successful leader as a person strongly oriented toward the subordinates, motivating them to do more than they originally intended, often even more than they thought possible (Bass & Avolio, 1994). To accommodate the needs of the practical leadership analysis, Bass has developed the Full Range Model in which the three leadership styles are differentiated. The fundamental characteristics of this model and these styles can be briefly described as follows:

1.8 The Full Range Model of Leadership

Transformational and transactional leadership theory was first introduced by Burns (1978), and expanded upon by Bass in 1985, who proposed a theory of transformational leadership. According to Bass, transactional and transformational leadership styles are reflected by distinct, although not mutually exclusive, processes. This means that the same leader may use both types of processes at different times, in distinct situations. Moreover, Bass initially identified seven dimensions or variables that are needed in order to describe the existent leadership styles. These variables were: charisma, inspirational leadership, intellectual stimulation, individualized consideration, contingent reward, management-by-exception, and laissez-faire (Bass, 1985). To quantify these variables, and describe, in turn, the existent leadership style, Bass used the Multifactor Leadership Questionnaire (MLQ), which is a questionnaire to be answered by the leader's subordinates, and describes the various leadership styles exhibited by the leaders. Later on, Bass proposed the Full Range Model of Leadership, which includes leadership styles that are highly transformational at one end, to those that are highly avoidant at the other end. According to Bass, a leader will exhibit each of the three main styles in combination. However, he proposed an optimal mix, which he argued should be preferred in order to perform active and effective leadership (Bass & Avolio, 1994). Utilizing the original version of the Multifactor Leadership Questionnaire (MLQ), many studies have confirmed that transformational leadership style has a greater impact on subordinates' motivation and performance than transactional leadership, or laissez-faire leadership style (Bass & Avolio, 1993). Yet, Bass and associates have remained interested in measuring the "full range" of leadership styles which are considered an integral part of the leadership continuum (Bass & Avolio, 1994). To this end, the original 7-factor model proposed by Bass has been revised since 1985 to better clarify and reflect findings of the numerous studies conducted between 1985 and 1995.

Ever since its introduction, various attempts have been made to criticize, test, and/or develop the content of the Full Range Model as well as the Multifactor Questionnaire (MLQ) on which it is based (Rost, 1991). Some opponents conceive it as an important weakness that more factors measuring transformational leadership seem to be correlated, while others highlight the fact that factors measuring transactional leadership are missing in the MLQ questionnaire. More broadly, it has been discussed whether transformational leadership can, as revealed by Bass, be displayed at all levels in an organization or if it is only executives who display transformational leadership. Other concerns included the criticism that it lacked discriminative validity among the various factors comprising the survey (Yukl, 1989; Pierce & Newstrom, 1995; Bryman, 1996; Yukl, 2001).

Bass and Avolio (1993), concluded, after reviewing prior studies completed which utilized the MLQ that while the original factor structure presented by Bass in 1985 was theoretically sound, that in order to validate the measurement of a broader or "fuller range" of leadership styles, that a new version of the survey instrument should be produced. The latest version of the MLQ, which was called the (MLQ 5X-Short) consists of 45 items to be answered by the leader's subordinates. These items are rated using a 5-point Likert scale with anchors labeled as 0 = not at all, 1 = once in a while, 2 = sometimes, 3 = fairly often, and 4 = frequently, if not always. It has been used in nearly 200 research programs, doctoral dissertations and masters' theses throughout the world (Bass & Avolio, 1995). This revised instrument, which was created in response to the above criticism, tests leadership style based on nine factors, or variables, as opposed to the original seven. The additional variables are: 1) Attributions regarding the leader's transformational style, which distinguishes between charismatic behaviors and attributions; 2) Management-by-Exception – Active; and 3) Management-by-Exception –Passive. The latter two variables represent a division of the original Management-by-Exception factor tested in Bass's original instrument (1985). An additional alteration from the original instrument is the change of terms from "charisma" to "idealized influence". By augmenting the above-described changes to the MLQ, Bass and Avolio (1995) have developed an instrument which measures a broader range of leadership factors, thus representing more consistently the full range of leadership styles. Together, the nine variables included in the latest version of the MLQ are: idealized influence (attributed), idealized influence (behavior), inspirational motivation, intellectual stimulation, individualized consideration, contingent reward, management-by-exception (active), management-by-exception (passive), and laissez-faire. This enhanced ability to quantify leadership style has significantly refined leadership research and has led to a number of important observations regarding leadership studies (Yukl, 2001).

So far, however, the Full Range Model seems to be one of the most complete and well-tested contributions to the understanding of leadership. Additionally, the model is recognized as a relevant demarcation line between the contingency approach to leadership and the focus on managerial roles. Although Bass uses the term "leadership" to cover three different leadership styles, it should be recognized that the Full Range Model implicitly includes functions and practices that can be described as traditional management as well (Yukl, 1989; Rost, 1991; Yukl, 2001). The following pages describe briefly the seven original factors that Bass used to identify the existent leadership style. Of these seven factors, the first four (charisma, inspiration, intellectual stimulation, and individualized consideration) relate to transformational leadership, the other two factors (contingent reward, and management-by-exception) relate to transactional leadership, and the final factor (laissez-faire) relates to the avoidant leadership style or the absence of it.

(1) Charisma

Bass (1990) characterizes the charismatic leader in a number of ways. He notes that charisma is dependent upon the follower as well as the leader. The follower must accept the charismatic leader's vision in order for charisma to be realized. Under times of stress within an organization, charismatic leaders are much more likely to appear. Once an individual is identified as charismatic, this definition is likely to persist. The charismatic leader is often domineering, self-confident, and has a strong need for power. His ability to articulate a vision and engage his followers in his viewpoint makes him a transforming leader. The charismatic leader is also able to communicate to followers' ideological goals that are readily accepted by them (Bass, 1990).

(2) Inspirational Leadership

Inspirational leadership was defined by Bass (1985) as a sub factor of charisma. Charismatic leaders evoke in their followers a strong personal commitment with uncritical and unquestioning obedience, sometimes even attributing supernatural powers to the leader. Alternatively, inspirational leaders are seen to be knowledgeable, enlightened, and sensitive to occurring problems, but not necessarily imbued with any exceptional personal powers. Inspirational leaders help followers feel more powerful by setting desirable goals and demonstrating the method to achieve them. While theoretical distinctions can be made between charismatic and inspirational leaders, they may be difficult to establish. Charismatic leaders tend to be highly inspirational, but inspirational leaders may not always be charismatic. Both these types of leaders, however, portray the necessary attention to the personal development of subordinates to define them as transformational leaders (Bass, 1985).

(3) Individualized Consideration

Bass (1985) found consideration to be an important factor in rating the transformational leader, although this characteristic was also found to be significant for the transactional leader. He described the leader portraying individualized consideration as one who supports employees' development, fulfils their needs, recognizes differences among them, promotes familiarity and contact, and provides individual counseling.

(4) **Intellectual Stimulation**

The fourth characteristic of the transformational leader is the ability to intellectually stimulate subordinates. Although intellectual stimulation is inspiring to subordinates, and is often associated with charismatic leadership, there are some important distinctions between the two. Intellectual stimulation promotes intelligence and rationality, and contributes to the independence of followers as opposed to the unquestioning trust frequently directed from followers towards charismatic leaders. Intellectual stimulation can also be used to move subordinates out of their habitual conceptual patterns to new viewpoints when problem solving needs a new outlook (Bass, 1985).

(5) Contingent Reward

This is the first of two factors used to measure the transactional leader in Bass' paradigm. According to Bass (1985), successful transactional leadership ultimately depends upon the establishment of a psychological contract between the leader and the followers. The transactional leader and subordinate mutually agree upon the tasks that must be accomplished. When a task is successfully completed, the follower expects to receive either an extrinsic reward from the leader, such as pay, benefits, and promotion, or an intrinsic reward such as praise and recognition. The timely and appropriate reward to the follower is the cornerstone of the leader / follower relationship. The successful completion of the transaction of rewards for task accomplishment reinforces this relationship (Bass, 1985).

(6) Management by Exception

This is the second factor used to measure transactional leadership in Bass' model. It occurs when leaders will take corrective action and intervene with subordinates only when failures occur within the organization. The leader will exert authority only when the subordinate's performance is considered substandard. Often, the intervention is coupled with negative reinforcement or punishment. The punishment may fall in a range from mild disapproval, to suspension or discharge. In most studies, management-by-exception was not found to be a positively contributing factor towards leader effectiveness, or satisfaction with leaders (Bass, 1985). Later on, the management-by-exception factor was separated into two components. Active management-by-exception is described as representing the leader who arranges to monitor errors, while passive management-by-exception exemplifies the leader who waits to be informed about errors before taking action (Bass & Avolio, 1994).

(7) Laissez Faire Leadership

Bass (1985) described his leadership theory as covering a full range of leadership styles and behaviors. Thus, he endeavored to define and measure not just the factors contributing to transformational and transactional leaders, but those imbuing the laissez-faire leader as well. When portraying leadership style as falling along a continuum scale, Bass displayed transformational leadership as the highest level of leadership skill, and laissez-faire leadership at the lower end of the continuum. Laissez-faire, or passive leaders, are found to take little or no responsibility for decision making in their organizations and are neither directive nor consultative (Bass & Avolio, 1989). Subsequent studies have also found that the level of satisfaction of followers under laissez-faire leaders is lower than both transactional and transformational leadership styles (Bass & Avolio, 1994). Bass (1985) found that while laissez-faire leadership is not the exact opposite of active or transformational leadership, it is found to negatively correlate with descriptions of transformational leaders when examining the variables listed in the previous section.

1.9 Definition of Terms

For purposes of this study, the following terms are defined:

Management: "The process of coordinating work activities so that they are completed efficiently and effectively with and through other people" (Robbins & Coulter, 2003, p. 6).

Leadership: "The use of non-coercive influence to direct and coordinate the activities of group members toward goal accomplishment"…. and …. "set of characteristics attributed to those who are perceived to use such influence successfully." (Moorhead & Griffin, 1998, p. 352).

Charisma: inspires unquestioning loyalty and devotion in the followers without regard to their own self-interest (Bass, 1985).

Charismatic Leadership: "Followers make attributions of heroic or extraordinary leadership abilities when they observe certain behaviors." (Robbins, 2003, p. 341).

Transformational Leadership: motivates followers to do more than they are originally expected to do by raising their level of awareness, encouraging them to transcend their own self-interest, or by altering their need levels (Bass, 1985). It is to negate the "I", extend the vision, and transcend the self-interest for the welfare of the whole.

Transactional Leadership: recognizes the needs of the follower and clarifies for him how these needs will be fulfilled in exchange for his satisfactory effort and performance (Bass, 1985). It means do what I need in exchange of what you need.

Laissez-Faire Leadership: followers are given complete freedom of action. The leader refrains from participating and does not make evaluative remarks (Stogdill, 1974).

Visionary Leadership: "The ability to create and articulate a realistic, credible, and attractive vision of the future that improves upon the present situation." (Robbins & Coulter, 2003, p. 473).

Attribution Theory of Leadership: "The idea that leadership is merely an attribution that people make about other individuals." (Robbins, 2003, p. 353).

Inspirational Leadership: to evoke in the followers a strong personal commitment with uncritical and unquestioning obedience (Bass, 1985).

Triangulation Methodology: the combination of two or more methodological approaches to measure the same phenomenon so as to increase the confidence in the interpretation (Denzin, 1984).

Chapter Two

Management and Leadership Theories: A review of the Literature

2.1 Leadership versus Management

It might be quite confusing to try to understand the concept of leadership in isolation of management theory and its evolution over time, simply because management theory is considered to be the premise to the study of leadership. Furthermore, the vast literature on both topics peaked at approximately the same time period. Hence, we are experiencing a veritable publishing explosion of books on these subjects varying widely in quality and type.

The traditional view of management associates it with four major functions: planning, organizing, leading, and controlling / coordinating. In this view, leadership is seen as a part of the management process, and in some other views the two concepts are seen as synonymous, but in reality they have vast differences. Leaders and managers who do not understand these differences may not see the need for one another and not recognize their strengths and weaknesses, and thus, expose their organizations to failure.

Hickman (1992) compared and inter-related the competencies and mind sets of managers and those of leaders. He noted that as a result of the growing pressures on contemporary organizations, executives found themselves confronted with escalating conflict between managerial and leadership requirements of organizations. He suggests that "the words manager and leader are metaphors representing two opposite ends of a spectrum. Manager tends to signify the more analytical, structured, controlled, deliberate, and orderly end of the continuum; while leader tends to occupy the more experimental, visionary, flexible, uncontrolled, and creative end." (Hickman, 1992, p. 7).

Zaleznik (1989) stated that management and leadership are not interchangeable terms. According to him, leaders grow through mastering painful conflict during their developmental years, while managers confront few of the experiences that generally cause people to turn inward for answers. This point suggests that the difference between a leader and a manger is that one chooses to confront and grow from an adverse experience, and the other chooses to avoid or manipulate the situation. Lunday (1990) defined leaders as people who have followers. This implies that the managers who do not have followers are not to be considered leaders, and conversely the persons who do not have the title of authority but do have followers are to be considered leaders. Pascale (1990) emphasized a conscious distinction between leading and managing, so as not to run the risk of not developing leaders. He quoted Warren G. Bennis as saying "managers are people who do things right, and leaders are people who do the right things." (Pascale, 1990, p. 65). Bass (1990) stated that there is a difference and clear distinction between management and leadership. They overlap but they are not the same, and the distinction between them is not always clear throughout our society. He argued that "leaders manage and managers lead, but the two activities are not synonymous.... Management functions can potentially provide leadership; leadership activities can contribute to managing. Nevertheless, some managers do not lead, and some leaders do not manage." (Bass, 1990, p. 383). Warren G. Bennis, a popular writer of leadership resources shares the same view with Bass. He stated that "there is a profound difference between management and leadership, and both are important. To manage means to bring about, to accomplish, to have charge of or responsibility for, and to conduct. Leading is influencing, guiding in a direction, course, action, opinion." (Bennis, 1997, p. 9). He further defined the difference using the following paired contrasts:

- The manager administers; the leader innovates.
- The manager maintains; the leader develops.
- The manager accepts reality; the leader investigates it.
- The manager focuses on systems and structures; the leader focuses on people.
- The manager relies on control; the leader inspires trust.
- The manager has a short-range view; the leader has a long-range perspective.
- The manager asks how and when; the leader asks what and why.
- The manager has his eye always on the bottom line; the leader has his eye on the horizon.
- The manager imitates; the leader originates.
- The manager accepts the status quo; the leader challenges it.
- The manager is the classic good soldier; the leader is his person.

In short, the difference between leaders and managers has been thoroughly analyzed by business writers, speakers, researchers and consultants, and many of these comparisons ended up with presenting leaders as more creative and valuable to organizations than managers. However, many organizations with too many leaders have failed because of their inability to manage day-to-day business issues, and many companies with excellent managers have also failed because they did not innovate, motivate, change nor keep their eyes on the strategic threats that surrounded them (Farr, 1997).

This brings us back to the introductory fact that neither management, nor leadership could be properly understood in isolation of each other, and that for an organization to thrive, it has to have both good management and effective leadership. Thus, it is necessary to have a look at the management theory and its evolution over time if we want to gain an in-depth knowledge and understanding of leadership and the various theories that were put forward to identify it.

2.2 Various Management Perspectives

Traditionally, the term "management" refers to the activities involved in the four general functions of planning, organizing, leading, and controlling / coordinating of the human, financial, physical, intellectual or intangible scared resources of an organization, to help it attain its goals effectively and efficiently (Bedeian & Glueck, 1983; Griffin, 1990; Hellriegel & Slocum, 1992; Ebert & Griffin, 1998; Robbins & Coulter, 2003). These main functions recur throughout the organization and are highly integrated. They were firstly introduced by the French engineer Henry Fayol (1841-1925).

Through the last two centuries to date, management has passed through several schools of thought. Various theories and perspectives were put forward in an attempt to offer the most efficient and effective process of managing the scarce and ever-decreasing resources of organizations. Some writers traced the development of management thought back to Sumerian priests of Iraq at about BC. 3000, as they were the first to keep written records as a means of recording business transactions, and to early Egyptian pyramid builders in BC. 1300, who recognized the importance of organization and administration in bureaucratic states (Griffin, 1990). Around BC

400, Socrates defined management as a skill separate from technical knowledge and experience (Higgins, 1991). The Romans marked the beginnings of delegation of authority and chain of command in AD 284, when the Roman Emperor Diocletian initiated organizational hierarchies through reorganizing his empire into 101 provinces and grouping them into 13 dioceses (Osigweh, 1985).

Modern management as a discipline began as an off-shoot of economics in the 19th century. Classical economists like Adam Smith and John Stuart Mill provided a theoretical background to resource allocation, production, and pricing issues. By the middle of the 19th century, people like Robert Owen, H. Poor, and M. Laughlin introduced the human element with theories of worker training, motivation, organizational structure, and span of control. By the late 19th century, new layers of complexity to the theoretical underpinnings of management were introduced, and various perspectives emerged (Griffin, 1990; Hellriegel & Slocum, 1992).
The following pages provide a review of some of these theories and perspectives of management.

2.2.1 Scientific Management Theory

Pollard (1974) mentioned that the work of James Watt Jr. and Matthew Robinson, the managers of Soho Engineering Foundry, which was founded in 1796 in Great Britain, marked the start and beginnings of scientific management thought. These two managers systematically implemented several management techniques including market research and forecasting, planned machine layout, planned site locations, production planning, production process standards, and the standardization of product components.

Robert Owen of Scotland, who is frequently referred to as the father of modern personnel management, gave another push to scientific management when he improved the work conditions in the factories and sought to make them more attractive (Ivancevich et al., 1994). By the beginnings of the twentieth century, new concerns about productivity emerged, and management began looking at methods to improve efficiency. The greatest contribution to scientific management theory was made by Frederick Winslow Taylor (1856-1915), who is remembered to this day in terms of the "time-and-motion" studies. His methods were later refined and extended by Frank and Lillian Gilbreth, and Henry Gantt. Later on, Henry Ford developed these ideas and used them to build his system of mass production (Pollard, 1974; Luthans, 1995; Buchanan & Huczynski, 1997).

Taylor's work represented the beginning of the managerial era in industrial production, as it signaled the end of the craft era in the United States. It also highlighted the relationship between rationalization in general and labor-control methods in particular (Hirschhorn, 1984; Sullivan, 1987; Griffin, 1990). Even though, Taylor's methods and his views of the worker were met with resistance and criticism from workers, politicians, industrialists, and humanists. They recognized that his methods led to the deskilling of work, and questioned the value that he placed on abundance and the need for it in American society, and that he changed the relations between management and labor by changing the position of labor in the firm and replacing the craft knowledge with a systemized method of production (Ramirez, 1978; Luthans, 1995). Other criticisms to Tylorism included his assumption that motivation of the employee is to secure maximum earnings; his negligence of the subjective side of work; his failure to appreciate the meanings that workers would put on new procedures and their reactions to being timed and closely supervised; his ignorance of psychological needs and capabilities of workers; and the focus of his incentive approaches on the worker as an individual while ignoring his social context (Ivancevich & Matteson, 1993; Vecchio, 1995; Buchanan & Huczynski, 1997). However, Taylor with his scientific approach to management is still credited for his enormous influence on management practice, and the order and consistency that he brought to work operations (Griffin, 1990; Luthans, 1995).

2.2.2 Classical Management Theory

While the focus of the scientific approach to management was on workers as individuals and their tasks, the classical management approach came to deal with total management organization. It came as an attempt to develop a much broader theory concerned with administrative management functions. The foundations and much of the contributions to this theory are attributed to the French engineer Henry Fayol (1841-1925). In his book *General and Industrial Administration*, Fayol tried to put down in a systematic way, the experience he had gained while managing a large-scale company. He stressed the methods, not the personalities, and presented them in a coherent and relevant scheme. Unlike Taylor, who focused on the worker, Fayol began from the top of the hierarchy and moved downwards (Luthans, 1995; Buchanan & Huczynski, 1997; Champoux, 2000).

According to Fayol, the basic functions of any manager incorporated planning, organizing, commanding, coordinating, and controlling (Fayol, 1949). He also maintained that all activities involved with industrial projects could be separated into six sections, which are technical, commercial, financial, security, accounting, and managerial (Ivancevich et al., 1994). He identified 14 principles of management and considered them as universal truths that can be taught. These are:

1. Division of work.
2. Authority.
3. Discipline.
4. Unity of command.
5. Subordination of individual interest.
6. Remuneration.
7. Centralization.
8. Scalar chain.
9. Order.
10. Equity of treatment.
11. Stability of tenure / employment.
12. Initiative.
13. Esprit de corps (promoting team spirit) (Fayol, 1949; Pollard, 1974; Mintzberg, 1979; Buchanan & Huczynski, 1997).

In 1947, Max Weber, who is known as the father of bureaucratic management, described an ideal bureaucracy as a theory of administration based on rational-legal authority systems that included the division of labor, authority, hierarchy, formal selection, formal rules and regulations, impersonality, and career orientation (Weber, 1947). Chester Barnard (1938), connected scientific management and human relations. He defined an organization as a system of discerning coordinated individual activities or forces. He stated that with any formal organization, an informal organization already exists that deal with communication and relationships that the formal structure is not equipped to handle (Barnard, 1938). Luther Gulick (1937) expanded on the works of Henry Fayol and viewed management functions as universal truths. He added the concept of "span of control", which addressed the factors limiting the number of people a manger could supervise. He also recommended unity of command, because he felt that people should know to whom they were responsible (Gulick, 1937).

The primary contributions of the classical management theory include applying science to the practice of management; advancing the concept of the basic management functions of planning, organizing, directing, coordinating, and controlling; classifying relevant management processes, functions and skills; and articulating and applying specific principles of formal management (Hellriegel & Slocum, 1992; Moorhead & Griffin, 1998). Among the major limitations of the theory is the assumption that each worker is an economic man who will work harder to make more money (Pollard, 1974; Mintzberg, 1979; Osigweh, 1985). Ivancevich et al. (1994) stated that it is most suitable for uncomplicated and relatively stable organizations, whereas most of today's organizations are complex and aggressive. Furthermore, it does not deal with the relationship between the organization and its environment. Hellriegel & Slocum (1992) stated that most classical theorists regard employees as tools to be used to achieve organizational goals rather than as valuable resources.

2.2.3 Behavioral Management Movement

In the 1920s and 1930s many researchers believed that the human aspects of organizations had been ignored by the scientific management movement. The work and researches of those researchers gave birth to the behavioral management movement, which became to be known as an approach to management that is primarily concerned with human psychology, motivation, and leadership, as differentiated from simple mechanical efficiency. It included both the human relations movement, as well as modern behaviorism. One of the earliest writers in the human relations movement was Mary Parker Follet. Her works on topics such as administrative conflict, motivation, cooperation, and authority are considered building-blocks for modern organizational development (Fry, 1989; Luthans, 1995; Moorhead & Griffin, 1998).

At the same time, another early team of contributors to the human relations school in organizational theory are Elton Mayo and Fritz Roethlisberger, who were studying the Western Electric Hawthorne Company. Their experiment led them to an understanding of the internal dynamics of informal groups in organizations. They discovered that the relationships between supervisors, subordinates, and peers had a stronger effect on productivity than either economic benefits or the organization's physical environment (Hellriegel & Slocum, 1992; Ivancevich & Matteson, 1993).

In the 1940s and 1950s the concern for employees at work elaborated, and many theories were introduced to examine the discrepancy between how an organization was supposed to work and how the workers actually behaved. In addition, factors like World War II, developments in psychology, and later the depression, all brought into question some of the basic assumptions of the Scientific Management School. Thus, the concern began to be focused on the importance of the attitudes and feelings of workers and the role of motivation in enhancing job performance. This concern and these studies of human behavior in organizations formed the basis for what became to be known as Organizational Behavior, which concentrates on the study and application of knowledge about how people, individuals and groups act in organizations, with a main goal to build better relationships by achieving human objectives, organizational objectives, and social objectives. The importance of this field to management thought stems from the fact that it encompasses and addresses a wide range of topics, such as human behavior, change management, stress, leadership, team management, motivation, job performance, satisfaction… etc. (Gray & Starke, 1988; Gordon, 1991; Ivancevich & Matteson, 1993; Champoux, 2000; Robbins & Coulter, 2003).

Among the most important theories in this field Abraham Maslow (1943) introduced his theory of the five-tiered hierarchy of needs, in which he defined motivation as the willingness to exert high levels of effort to reach certain goals. He arranged these needs in a hierarchy from the lower-level of physiological needs to the higher-level needs for self-actualization. The American psychologist Frederick Herzberg (1966) extended on Maslow's needs theory and introduced his motivation-hygiene theory. It revolved around redesigning and improving employee positions to increase motivation and involvement, and identified two factors as the satisfiers and dissatisfiers of the hygiene-motivators. In late 1950s, Douglas McGregor stressed the importance of understanding the relationships between motivation and human nature. He believed that employees could be motivated using one of two basic approaches. The first is a negative theory, labeled X theory, and followed the traditional view of management based on direction and control, and the second is a positive theory, labeled theory Y, and is based on new information about behavior (McGregor, 1960).

The major contributions of behavioral management are it fostered the idea that employees are valuable resources; produced understanding concerning motivation, group dynamics, and leadership; and directed management's attention to these processes (Robbins & Coulter, 2003). In addition, the studies in Organizational Behavior gave insights into interpersonal processes in organizations, challenged the view of employees as tools and not resources, added much to our knowledge of human behavior in organizations, created pressure for management to change the traditional ways of managing human resources, emphasized the idea of effective leadership and stimulated research in this field, discriminated between leadership and management, pushed leaders toward giving participative support of lower levels of the organization in solving organizational problems, and fostered a more open and trusting environment and a greater emphasis on groups rather than individuals (Gannon, 1982; Gray & Starke, 1988; Griffin, 1990; Gordon, 1991; Buchanan & Huczynski, 1997; Champoux, 2000; Robbins & Coulter, 2003).

The major limitations include the difficulty in predicting human behavior because of the complexity of individual behavior (Ivancevich et al., 1994); and the hesitation of many mangers to adopt complex behavioral concepts because of the difficulty in implementing them (Gannon, 1982; Osigweh, 1985; Higgins, 1991; Bateman & Zeithamal, 1993; Ivancevich et. al., 1994).

2.2.4 The Quantitative Management Movement

The quantitative management movement centers on adapting mathematical models and processes to management situations, and involves three major areas: management science, which deals with mathematical models to assist in decision making and problem solving; operations management, which centers more on the application of management science to organizations; and management information systems, which are complex communication systems designed to provide information to managers (Griffin, 1990). Quantitative management emerged as a result of the development of mathematical and statistical solutions to solve military problems during World War II. Following the war, many of the quantitative techniques which had been applied to military problems were applied to the private business sector to solve problems of production management when dealing with inventory control and consumer waiting lines (Griffin, 1990; Bateman & Zeithamal, 1993; Ivancevich et al., 1994).

The major contribution of the quantitative approach to management lies in the area of decision making, particularly as it relates to planning and control (Griffin, 1990; Robbins & Coulter, 2003;). The major limitations of the theory are the inability to predict or explain human behavior in organizations (Hellriegel & Slocum, 1992), the possibility of sacrificing other managerial skills in order to gain mathematical sophistication (Griffin, 1990), and that certain models may require impractical or unsubstantiated assumptions (Griffin, 1990; Hellriegel & Slocum, 1992; Ivancevich et al., 1994).

2.2.5 Modern Management Movement

Modern management movement evolved through integrating various theories like the classical, behavioral, and quantitative, and formed its basic framework to become a synergistic product. This movement includes the process approach, the systems approach, the contingency approach, the strategic management approach, the Japanese style management approach, and the excellence approach (Griffin, 1990; Ivancevich et al., 1994).

2.2.5-1 The Process Approach

Koontz (1961) stated that the process approach, which was originally proposed by Henry Fayol, views management as a process of getting things done through and with individuals who are operating in organized groups, and that managers plan, organize, lead, and control in a circular loop process. He also argued that the human resources and the quantitative approaches were tools rather than management approaches; he then demonstrated that the process approach could encompass the variances (Robbins, 1991; Robbins & Coulter, 2003).

2.2.5-2 The Systems Approach

The systems approach to management is considered a phenomenon of the mid-1960s, although its beginnings were much earlier, and the best known for these theories is Von Bertalanffy. There are two basic types of systems: the closed and the open. Closed systems are not influenced by and do not interact with their environment. In contrast, open systems do recognize and respond to their environment (Higgins, 1991; Robbins, 1991; Robbins & Coulter, 2003). Bertalanffy (1972) described a system as a one that consists of connected parts joined to form a whole in which the coordinated and combined effect of the subsystems creates synergy. Systems theory describes the behavior of organizations both internally and externally. Internally, it shows how and why people inside organizations perform their individual and group tasks. Externally, it integrates organizational transactions with other organizations and institutions. In this theory, the organization is one of several elements that interact interdependently. The flow of inputs and outputs is the starting point when describing an organization. The organization takes resources "inputs" from the larger system "environment", processes these resources and returns them back to the environment in a changed form "outputs" (Bertalanffy, 1972; Bedeian & Glueck, 1983; Higgins, 1991).

2.2.5-3 The Contingency Approach

The contingency approach to management refers to the view that the appropriate solution in any specific case depends, or is contingent upon, the circumstances prevailing at the time. It seeks to analyze the problem then develop the best managerial solution to meet it. It is, then, a problem-solving approach that considers all major factors in a situation before making a decision (Pollard, 1974; Higgins, 1991; Luthans, 1995; Buchanan & Huczynski, 1997). This approach, as proposed by organizational theorists such as Lawrence and Lorsch (1969), attempted to implement a variety of concepts from other approaches. These theorists found that the effectiveness of their techniques change from one situation to another (Lawrence & Lorsch, 1969).

The contingency approach stresses the need for the appraisal and analysis of the entire managerial environment within the organization in order to determine what work features, technology, personnel, and organizational designs need to be considered as most fitting for particular circumstances. It includes three principal sets of interrelated assumptions. The first set assumes that agreement exists between organizations and their internal and external environments on one side, and the management system and its various components on the other side. The second set assumes that there is an appropriate pattern for relationships which exist for all organizations. The third set centers on the best contingency plan. Accordingly, the best management practice is that which examines and fits what is to be done, how it is to be done, who will do it, the impact of what is being done on the organization, and the impact of the organization on what is being done (Kast & Rosenzweig, 1973; Bedeian & Glueck, 1983; Griffin, 1990; Bateman & Zeithamal, 1993).

2.2.5-4 Strategic Management Approach

Strategic management can be defined as "the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives" (David, 1999; p. 5). It consists of three main stages. The first is known as the formulation stage, and includes developing a business mission, identifying the external opportunities and threats, determining internal strengths and weaknesses, establishing long-term objectives, generating alternative strategies, and choosing particular strategies to pursue. The second stage is the implementation, and requires the organizations to establish annual objectives, device policies, motivate employees, and allocate resources so that formulated strategies could be executed. The final stage is evaluation, and includes three fundamental activities which are:

- Reviewing external and internal factors that are the bases for current strategies.
- Measuring performance.
- Taking corrective actions (David, 1999).

In short, strategic management is concerned primarily with the decision making processes and the actions that determine an organization's long-run performance. It emphasizes monitoring and evaluating external and internal environmental opportunities and controls in view of an organization's strengths and weaknesses. In the late 1970s, Mintzberg defined strategic management as a mediating force between an organization and its environment. He found that there are consistent patterns in the decision-making process to allow organizations to deal with the environment (Mintzberg, 1979; Dess & Miller, 1993).

2.2.5-5 Japanese-Style Management Approach

In 1950, the quality expert W. Edwards Deming introduced a comprehensive management system that became to be known as the model for Japanese-Style management, or Total Quality Management (TQM). This approach employs statistics to analyze variability in production processes so as to improve the product quality continuously. It can be defined as the management of an entire organization so that it excels in all aspects of products and services that are important to the customer (Heizer, 2001). Deming used 14 points to indicate how to implement TQM. These were developed into six concepts for an effective TQM program, they are: continuous improvement, employee empowerment, benchmarking, just-in-time (JIT), Taguchi concepts, and knowledge of TQM tools. TQM requires a never-ending process of continuous improvement that covers people, equipment, suppliers, materials, and procedures. The critical element in its success and effective implementation is management leadership, and the end goal is perfection, which is never achieved but always sought. The word "Kaizen" is the Japanese word for this never-ending process of incremental improvement (Heizer, 2001). Deming claimed that management is responsible for 94% of quality problems. He also pointed out that it is management's job to help employees work smarter, not harder (Deming, 1982). Another pioneer in TQM field is Juran, who was the first to deal with the broad management features of quality. He included three basic steps to progress, which are structured annual improvements, training programs, and top management leadership. He contended that more than 80% of quality problems are caused by management and faulty processes. Accordingly, all managers should have training in quality so as to oversee and participate in quality management projects (Juran, 1988). Crosby is another pioneer in the field of TQM. He is best known for his concept of zero defects. He defined quality as the conformance to requirements, and it can only be measured through the cost of non-conformance. He then listed three components that can be used to prevent non-conformances determination, education, and implementation (Crosby, 1979).

2.2.5-6 The Excellence Approach

The excellence approach appeared firstly in the early 1980s with the publishing of Peters and Waterman's book *In Search of Excellence*. The authors researched organizations that were considered excellent, and documented the practices they found to be consistent throughout these organizations. The excellence approach dictates that effective organizations continue to strive for improvement, and the major focus of this approach is improving management in order to gain or maintain excellence within a corporation (Higgins, 1991; Bateman & Zeithamal, 1993).

2.3 Leadership Research

Leadership is as old as human existence on Earth. From their early beginnings on this planet, all creatures found but two paths: either to lead, or to be led, and there is no place for the in-between. Thus, one has to choose between the two paths, and if he refuses to choose, he will be driven out of the survival circle, simply because he will be considered an outsider. This is the common law that dominated all aspects of life from its early beginnings until now, and it will undoubtedly continue as far as there is life on this planet. History supports this reality, and tells us that Man was able to survive and maintain his existence on earth only through living within groups that were led by distinguished leaders. No man was able to live by himself alone. To survive and exist, he should be either a leader or a follower.

Thus, the interest in leadership research and theories can be inferred from writings of early civilizations. Confucius (500 B.C) wrote one of the earliest comprehensive treaties on leadership, and discussions of leadership can be found in the writings of Plato, Plutarch, and Caesar. In more recent times, leadership has continued to be a topic of interest, as well as a subject of contention among many leadership theorists. As evidenced in Bass's excellent review of leadership, more than 7500 studies on leadership have been conducted (Jennings, 1960; Stogdill, 1974; Hollander, 1978; Bass, 1990). Several different schools of thought regarding leadership have prevailed simultaneously since the early observations in this area of interest began. Most early theorists presented their findings based on information gained through empirical observation as opposed to statistical research (Stogdill, 1974). Traditionally, leadership studies have taken as their independent variable either an attribute of a leader (such as a skill or personal trait), or a dimension of a leader's behavior (such as the leader's preferred style of supervision). The dependent variables, on the other side, have most often been the satisfaction of the subordinates and the performance. Some theories have gone further and speculated about intervening variables such as the motivations, attitudes, or expectances of the subordinates (Bass, 1990).

In the following pages, leadership theories will be reviewed from a historical perspective focusing on how leadership theory has developed over time. To achieve this goal, three approaches can be identified: The Traits Approach, which dominated the study of leadership up to the 1940s; the Behavioral Approach, which was popular until late 1960s; and the Contingency Approach, which is currently the dominant approach to leadership (Robbins, 2003; Robbins & Coulter, 2003). To start, some of the famous definitions of leadership are presented below.

2.3.1 Definitions of Leadership

The concept of leadership had been given different definitions by different writers and persons. Nevertheless, there is sufficient similarity among these definitions to permit a rough scheme of classification. In sum, it has been conceived as a focus of group processes, as a matter of personality, as a matter of inducing compliance, as the exercise of influence, as a particular behavior, as a form of persuasion, as a power relation, as the use of non-coercive power to achieve goals, as an effect of interaction, as a differentiated role, as initiation of structure, and as many combinations of these definitions. However, the best definition of leadership should depend on the purposes to be served by this definition (Bass, 1990). The following table shows twenty different definitions of leadership that were presented from various books as an example on the various definitions that were given to this concept.

Table (2.3.1): Definitions of Leadership

Authors	Definitions
Champoux (2000)	"A process of social influence involving two or more people: The leader, and a follower (or a potential follower)." (p. 219)
Cohen & Fink (2001)	"A process in which the involved parties influence one another in particular ways." (p. 255)
Gordon (1991)	Leader: "an individual who influences others to act toward a particular goal or end-state." (p. 341)
Burns (1978)	"Leadership is an aspect of power… It is exercised when persons with certain motives and purposes mobilize, in competition or conflict with others, institutional, political, psychological, and other resources so as to arouse, engage, and satisfy the motives of followers." (p. 18)
Greenberg & Baron (2000)	"The process whereby one individual influences group members toward attaining defined group or organizational goals" (p.445)
Hellriegel, Slocum & Woodman (1998)	"The process whereby one person influences others to achieve a goal" (p. 301)
Ivancevich & Matteson (1993)	"An attempt at influencing the activities of followers through the communication process and toward the attainment of some goal or goals" (p. 438)
Johns (1996)	"The influence that particular individuals exert upon the goal achievement of others in an organizational context" (p. 309)
Kreitner & Kinicki (1998)	"A social influence process in which the leader seeks the voluntary participation of subordinates in an effort to reach organizational goals" (p. 495)
Luthans (1995)	"It does remain pretty much of a *black box,* or unexplainable *concept* (p. 342) … "The specific definition is unimportant. What is important is to interpret leadership in terms of the specific theoretical framework and to realize that leadership, however defined, does make a difference" (p. 343)
McShane & Von Glinow (2000)	"The process of influencing people and providing an environment for them to achieve team or organizational objectives. Effective leaders help groups of people define their goals and find ways to achieve them" (p. 434)
Moorhead & Griffin (1998)	"The use of non-coercive influence to direct and coordinate the activities of group members toward goal accomplishment" …and… "set of characteristics attributed to those who are perceived to use such influence successfully" (p. 352)
Nelson & Quick (2000)	"The process of guiding & directing the behavior of people in the work environment" (p.384)
Northcraft & Neale (1990)	"The influential increment over and above an employee's mechanical compliance with routine directives of the organization"(p. 403)
Bryman (1986)	"The creation of a vision about a desired future state which seeks to enmesh all members of an organization in its net" (p. 6)
Robbins (2003)	"The ability to influence a group toward the achievement of goals" (p. 314)
Schermerhorn, Hunt & Osborn (2003)	"Influence that gets an individual or group to do what the leader or manager wants done" (p. 211)
Tosi, Rizzo & Carroll (1994)	"A form of organizationally based problem solving, implemented in a social context, where an attempt is made to bring about goal attainment by influencing the action of other (organizational) subsystems" (p. 507)
Vecchio (1995)	"A process through which a person tries to get organizational members to do something that the person desires" (p. 332)
Wagner & Hollenbeck (1998)	"The use of non-coercive and symbolic influence to direct and coordinate the activities of the members of an organized group toward the accomplishment of group objectives" (p. 222)

2.4 Leadership Approaches

2.4.1 Traits Approach

Trait theories of leadership focused and evolved around a central idea that tried to study and isolate the personal qualities and characteristics that differentiate leaders from non-leaders. They are based on the underlying assumption that leadership is inborn, which means that one is either born as a leader or as a follower. Traits such as intelligence, knowledge, dominance, initiation, achievement, responsibility, participation, self-confidence, energy, emotional maturity, stress tolerance, pragmatism, result-orientation, ambition, honesty, and integrity were studied and labeled as characteristics of effective leaders (Stogdill, 1974; Bass, 1990; Bryman, 1996; Robbins; 2003; Robbins & Coulter, 2003). Stogdill (1948) reviewed 124 studies grounded upon the trait theory. Although he ultimately concluded that the trait theory studies were weak and inconclusive, he did determine that leaders exceeded others in several traits, such as: intelligence, scholarship, dependability, social participation, and social and economic status. While these determinations were thought provoking, and later applicable to other leadership studies, Stogdill concluded that leadership could not be adequately defined by the axioms of trait theory. Stogdill postulated that effective leadership is dependent upon the situation as well as the leader's personal characteristics. He concluded that "a person does not become a leader by virtue of the possession of some combination of traits" (Stogdill, 1948, p. 66).

Some authors distinguish between two phases in the traits approach. The first phase concentrated on personality traits, and the second on individual leader behavior. This changing approach was based on the recognition that in isolation the inborn personal traits can be too one-sided to explain the differences between leaders and non-leaders. Thus, it is important to recognize that the traits approach is not narrowly concentrated on inborn or innate characteristics. It focuses on the leader as an individual person that has unique personal characteristics. This means that it may include inherent characteristics, observed leader behavior, or even situation and culture-determined aspects as points of convergence (Bass, 1990).

Other types of trait theories tried to explain leadership on the basis of heredity, and became to be known as the Great Man Theory. The underlying concept of the theory is that the leader is genetically endowed with superior qualities that differentiate him from his followers (Carlyle, 1907; Woods, 1913; Dowd, 1936). In the early years of the twentieth century, several leadership theorists were influenced by Galton's (1870) study of the hereditary background of great men. Galton proposed that great leaders inherit their ability to lead. Motivated by Galton's observations, Woods (1913) studied the history of 14 nations over periods of five to ten centuries to determine the effect of the governing ruler's leadership style upon his followers' standards of living. His findings indicated that the conditions of each reign were directly related to the abilities of the ruler's present. Thus, a strong leader would precipitate a prosperous era; while a weak leader would be a cause for a less comfortable time period. Woods concluded that the leader makes the nation and shapes it in accordance with his abilities (Woods, 1913). In 1960, Jennings published a comprehensive survey of the great man theory of leadership, and argued that it is possible to identify and recognize the superior qualities with which leaders are endowed (Jennings, 1960).

Nevertheless, traits approach fell into disfavor. Stogdill's (1948) critique concluded that both person and situation had to be included to explain the emergence of leadership. Robbins (2003) cited four limitations of the traits approach. The first is the absence of universal traits that could predict leadership in all situations. The second is that the trait's power in predicting leadership in many organizations is limited; it is more powerful in weak situations than strong, highly cultured, and formulated organizations. The third limitation is the ambiguity in separating and defining cause from effect; for an example, it does not provide a clear answer for the characteristic of self-confidence as whether it is an effect of leadership or a cause to it. The final limitation is that it makes a worse job in distinguishing between effective and ineffective leaders, and does better in predicting the appearance of leadership. These limitations led researchers into other directions away from traits. This gave birth to behavioral theories that dominated leadership studies from late 1940s through the late 1960s (Bass, 1990; Robbins, 2003; Robbins & Coulter, 2003).

2.4.2 Behavioral Approach

In contrast to trait theories, behavioral theories argue that leadership can be taught, and leaders can be made rather than born. In this approach, leadership was explored as a style. Instead of focusing on the individual traits the leader should enhance, the research questions here were directed towards the nature of managerial work and a classification of the different functions, practices, roles, and behaviors of the leader. This was based on the fact that in contrast to personality, behavior can be learned and altered through practice, which, in turn, resulted in an interest in training leaders, and in some parts of the research, in an investigation as to whether one kind of behavior was more efficient than others (Stogdill, 1974; Bryman, 1986; Bass, 1990). Rather than concentrating on what leaders are, as the trait approach urged, the behavioral approach forced looking at what leaders do. The general question underlying this approach is what is being done by leaders that differentiate them from non-leaders? (Greenberg & Baron, 2000; Greenberg, 2003). According to Robbins (2003), the main difference between trait and behavioral approaches in terms of application lies in their underlying assumptions. If trait theories were valid, then leaders are born rather than made. On the other hand, if there were specific behaviors inherent to leaders, then these behaviors could be isolated, defined, and taught. The author identified four different behavioral theories: the Ohio State University studies that began in the late 1940s, the Michigan University studies that began at about the same time period, the Managerial Grid theory, and the Scandinavian studies between the late 1940s and early 1960s.

2.4.2-1 The Ohio State University Studies

Researchers at Ohio State University found that the number of leaders' behaviors that were identified was staggering. However, over time, it appeared that the key behaviors could be grouped or categorized. They, then, suggested two basic leader behaviors or styles, which are:

- Initiating Structure: when the leader clearly defines the leader-subordinate role, establishes formal lines of communication, and determines how tasks are to be performed.
- Consideration Behavior: when the leader shows concern for subordinates and attempts to establish a warm, friendly, and supportive climate (Yukl, 1989; Robbins, 2003; Robbins & Coulter, 2003).

These two behaviors were not viewed as opposite ends of a continuum, but as independent variables. Thus, the leader can exhibit varying degrees of both behaviors at the same time. Extensive research found that the leaders who were high in both initiating structure and consideration tended to achieve high employee performance and job satisfaction (Robbins, 2003; Robbins & Coulter, 2003). Other findings indicated that the initiating structure behavior is mainly task-oriented style that is greatly connected to group performance; while the consideration behavior is mainly a relationship-oriented style that is greatly connected to employee satisfaction (Bass, 1990; Rost, 1991; Bryman, 1996).

In much of the following research, leader-behavior issues remained divided, and could be recognized with many notions such as task-and relationship-oriented, production- or employee-centered, and directive or participative leadership styles. However, the "high initiating - high consideration" style did not always result in positive consequences, and enough exceptions were found to indicate that situational factors should be integrated into the theory (Yukl, 1989; Bass, 1990; Rost, 1991; Bryman, 1996; Robbins, 2003; Robbins & Coulter, 2003).

2.4.2-2 Michigan University Studies

During studies at the Survey Research Center at the University of Michigan, researchers studied which dynamics affected leadership effectiveness. These studies strived to find ways to measure what made leaders effective. They were conducted at about the same time as those being done at Ohio State University. Both studies had the same research objectives: to locate and identify behavioral characteristics of leaders that appeared to be related to performance effectiveness and job satisfaction

(Yukl, 1989; Bass, 1990; Pierce & Newstrom, 1995; Buchanan & Huczynski, 1997; Robbins, 2003; Robbins & Coulter, 2003). Moreover, both studies arrived to similar conclusions. They concluded that leadership behavior could be classified into two groups:

- Production-oriented behavior defined as the leader pays close attention to the work of subordinates, explains work procedures, emphasizes technical or task aspects of the job, and is keenly interested in performance.
- Employee-oriented behavior defined as the leader is interested in developing a cohesive work group, emphasizing interpersonal relations, taking a personal interest in the needs of employees, and ensuring that employees are satisfied with their jobs.

These two categories of leader behavior were believed to lie at the ends of a single continuum (Bass, 1990; Rost, 1991; Pierce & Newstrom, 1995; Robbins, 2003; Robbins & Coulter, 2003).

Rensis Likert (1903-1981) expanded on the Michigan leadership studies extensive research into what differentiates effective leaders from ineffective leaders. He was concerned with the characteristics of effective leaders and their styles; thus, his research team at Michigan identified four main styles of leadership in organizations:

- System 1 Exploitative Autocratic: The leader has no trust in subordinates, and all decisions are made at the top. Subordinates are often subject to threats and punishments, with occasional rewards.
- System 2 Benevolent Authoritative: The leader has some trust in subordinates, and objectives are set at the top management level, in which the key decisions are also made, but some routine decisions are delegated down the hierarchy.

Subordinates are mainly motivated by rewards, but some punishments are used either.

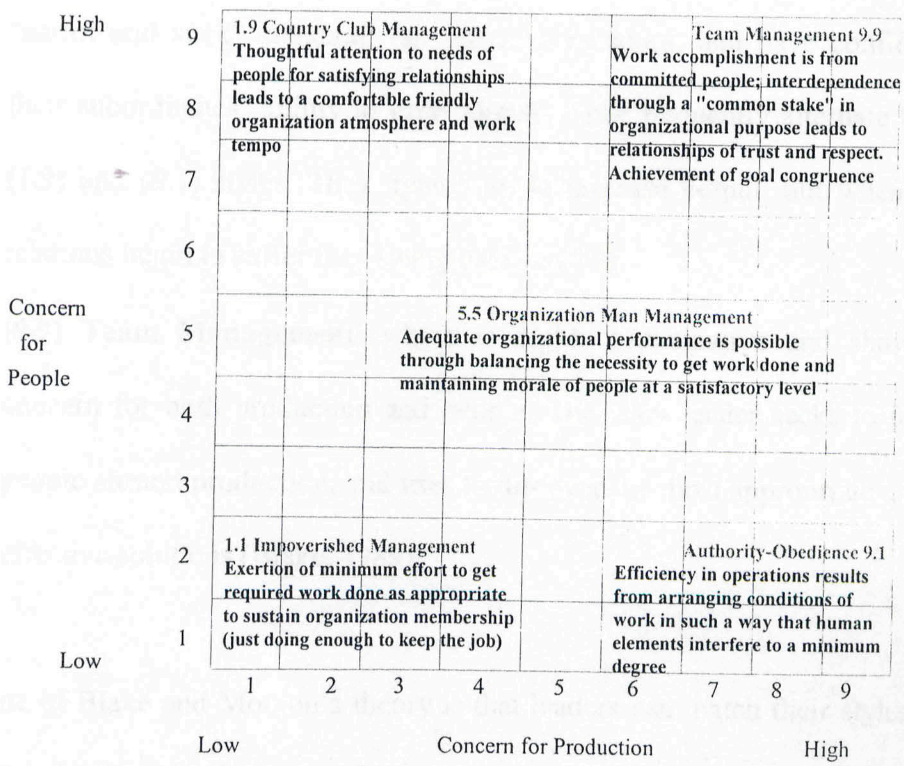
- System 3 Consultative: The leader has substantial, but not complete confidence in subordinates who are allowed to make less important decisions on the lower hierarchy levels. The most important means of motivation are rewards, with occasional punishments.
- System 4 Participative / Democratic: The leader has complete confidence in subordinates. All hierarchical levels are included into the decision making process, and motivation is based on the participation in decision making and involvement in setting goals and appraising progress toward them (Likert, 1961).

Likert viewed leadership as a process in which the leader must consider the expectations, values, and interpersonal skills of those with whom he is interacting. A good leader must involve followers in decision-making regarding their own welfare and work. He proposed that an effective leader extends group cohesiveness and motivation by providing freedom for decision-making and encouraging initiative. He also asserted that participative leadership style is the most efficient one, being based on group decision making, decentralization of decision making to those levels containing more knowledge and information needed for the optimal decisions, demanding objectives and high expectations that activate the individuals and develop their abilities (Likert, 1961; Johns, 1996; Buchanan & Huczynski, 1997). Based on his research, Likert found that employee-oriented behavior was associated with higher group productivity and higher job satisfaction; while production-oriented behavior tended to be associated with low group productivity and lower job satisfaction (Likert, 1967; Bass, 1990).

2.4.2-3 The Managerial Grid

Based on the concepts and paradigms of the styles "concern for people" and "concern for production", which essentially represent the Ohio State University dimensions of consideration and initiating structure, and the Michigan dimensions of employee-oriented and production-oriented, Robert R. Blake and Jane S. Mouton published their book *The Managerial Grid* in 1964. In this book, they proposed a grid that uses two dimensions plotted on two axes; the "concern for people" was plotted on the vertical axis, and the "concern for production" along the horizontal axis, and both had a range from 1-9 as shown in the following figure (Blake, 1964).

Figure (2.4.2-3) Managerial Grid



Adapted from R. Blake & J. Mouton "Managerial Facades", Advanced Management Journal, July 1966, 31.

As shown in the figure, Blake and Mouton identified five leadership styles that were portrayed by the grid, these are:

- **(9.1) Authority-Obedience Management**: it focuses overwhelmingly on production, and expects schedules to be met, and people to do as they are told, no more and no less.
- **(1.9) Country Club Management**: in which the leader emphasizes sole concern for people who are encouraged and supported and their mistakes are overlooked.
- **(1.1) Impoverished Management**: which is characterized by the avoidance of responsibility or personal commitment, and by leaving employees to work as they see fit.
- **(5.5) Organization Man Management**: in which leaders aim at a moderate "carrot and stick" standard, fair but firm behavior, and have confidence in their subordinates' ability to meet targets. They frequently alternate between (1.9) and (9.1) styles. They tighten up to increase output, but when human relations begin to suffer they swing back to (1.9).
- **(9.9) Team Management**: which is highly participative and shows high concern for both production and people. The team leader seeks to integrate people around production, and tries to discover the most appropriate and most effective solutions (Blake, 1985).

The value of Blake and Mouton's theory is that leaders can match their styles to the hard demands of production and softer people needs. However, the grid offers a better framework for conceptualizing leadership styles rather than for presenting any tangible new information in clarifying the leadership quandary (Bass, 1990; Rost, 1991; Robbins, 2003; Robbins & Coulter, 2003).

2.4.2-4 The Scandinavian Studies

Based on their belief that the Ohio State and Michigan studies did not capture the more dynamic realities of today, the Scandinavian researchers G. Ekvall and J. Arvonen tried to reassess whether there are only two dimensions that capture the essence of leadership behavior. The basic premise of the study was that in a rapid-changing world, efficient leaders should exhibit high degree of flexibility or development-oriented behavior. They are the leaders who value experimentation, seek new ideas, and generate and implement change (Ekvall & Arvonen, 1991; Robbins, 2003; Robbins & Coulter, 2003). Hitt (1988) argued that an integral part of being an efficient leader is to be an effective change agent who will move the organization to higher levels of achievement and excellence. Kanter (1983) asserted that change will be the key role for the leaders of the twenty first century and one of their most important functions. She said that "the individuals who will succeed and flourish in the times ahead will be masters of change: adept at reorienting their own and others' activities in untried directions to bring about higher levels of achievement." (Kanter, 1983; p. 65). The Scandinavian researchers found strong support for development-oriented leader behavior as a separate and independent dimension; they also found that leaders who demonstrate development-oriented behavior have more satisfied employees, and are seen as more competent to those employees (Robbins, 2003; Robbins & Coulter, 2003).

2.4.3 Contingency Approach

The contingency approach, which is sometimes referred to as the situational approach, appeared in the beginnings of the 1960s as a consequence of the lacking ability of earlier approaches to explain the many different aspects of leader behavior (Kast &

Rosenzweig, 1973; Pierce & Newstrom, 1995). It states that the effective leader should adjust his style in a manner consistent with critical aspects of the organizational context, such as the nature of the task, and attributes of employees carrying out the work (Stogdill, 1974; Bass, 1990, Rost, 1991; Buchanan & Huczynski, 1997). This approach came as an answer to the question about the best way to lead, and dealt with the interaction between the leader's traits, the leader's behaviors, and the situation in which the leader exists. The basic assumption of this approach is that the effects of one variable on leadership are contingent on other variables. This concept was a major insight at the time, because it opened the door for the possibility that leadership could be different in every situation (Saal & Knight, 1988; Pierce & Newstrom, 1995).

Yukl (1989) revealed that research on situational leadership could be broadly assigned to two different categories; the situational factors and the way they influence the leader's behavior, and the specific leader behaviors and their efficiency in different situations. The question is whether the behavior or the situation is determined as the dependent variable. Several models to isolate these situational variables have proven more successful than others, and as a result, have gained wider recognition. Among these models the following five are widely recognized: The Fiedler Model, Hersey and Blanchard's Situational Theory, Leader-Member Exchange Theory, The Path-Goal Theory, and Leader-Participation Model (Bass, 1990; Bryman, 1996; Robbins, 2003; Robbins & Coulter, 2003; Greenberg, 2003).

2.4.3-1 Fiedler Model

In 1967, Fred Fiedler introduced his model of leadership, which is considered as the first comprehensive contingency theory of leadership (Robbins, 2003; Robbins & Coulter, 2003). In this model, leadership effectiveness is the result of the interaction between the style of the leader and the characteristics of the environment in which the leader works (Gray & Starke, 1988; Bass, 1990, Rost, 1991). Fiedler believed that leadership effectiveness is contingent on two factors: the leader's style, and the situation in which the leader works. This implies that certain leaders are effective in one situation but not in others. Furthermore, he believed that an individual's leadership style depends on his personality and is thus fixed (Hollander, 1978; Bedeian & Glueck, 1983; Bass, 1990; Robbins, 2003; Robbins & Coulter, 2003).

The first major factor in Fiedler's model is the leadership style. It is the consistent system of interaction that takes place between the leader and the work group. In order to classify this style and identify it, Fiedler developed an index called the Least-Preferred-Coworker (LPC) Scale. It contends to measure whether a person is task-oriented or relationship-oriented (Hollander, 1978; Bedeian & Glueck, 1983; Rost, 1991). In fact, these two dimensions are an extension of the Ohio State dimensions of leadership behavior, which are initiating structure and consideration (Buchanan & Huczynski, 1997). The LPC scale asks a leader to think of all the persons with whom he has ever worked, and then to describe the one person with whom he worked the least well. From a scale of 1 through 8, leaders are asked to describe this person on a series of bipolar scales such as shown below:

Unfriendly	1	2	3	4	5	6	7	8	Friendly
Uncooperative	1	2	3	4	5	6	7	8	Cooperative

Hostile	1 2 3 4 5 6 7 8	Supportive
Guarded	1 2 3 4 5 6 7 8	Open

The responses to these scales (usually 16 in total) are then summed and averaged; a high LPC score suggests that the leader has a human relations orientation, while a low LPC score indicates a task-orientation behavior. Fiedler's logic behind this notion was that individuals who rate their least preferred coworker in relatively favorable light on these scales derive satisfaction out of interpersonal relationships; while those who rate their least preferred coworker in a relatively unfavorable light get satisfaction out of successful task performance (Gray & Starke, 1988; Yukl, 1989; Bass, 1990; Pierce & Newstrom, 1995).

The second major factor in Fiedler's model is known as situational favorableness or environmental variable. This is basically defined as the degree to which a situation enables a leader to exert influence over a group (Gannon, 1982; Yukl, 1989; Bass, 1990; Rost, 1991). Fiedler then identified three contingency dimensions or variables that, he argued, define the key situational factors that determine leadership effectiveness. These are;

1. Leader-Member Relations: the degree to which the employees accept the leader and have confidence, trust, and respect for him.
2. Task Structure: the degree to which jobs are described in detail and procedurized.
3. Position Power: the amount of formal authority the leader has by virtue of his position in the organization, such as hiring, firing, discipline, promotions, and

salary increases (Bryman, 1986; Yukl, 1989; Robbins, 2003; Robbins & Coulter, 2003; Greenberg, 2003).

The next step in Fiedler's model is to evaluate the situation in terms and light of the three contingency variables. Leader-member relations are either good or poor, task structure is either high or low, and position power is either strong or weak (Robbins, 2003; Robbins & Coulter, 2003). For leader-member relations, Fiedler maintained that the leader will have more influence if he maintains good relationships with employees than if he does not. For task structure, he contended that highly structured tasks provide the leader with more influence over group actions than do unstructured tasks. Finally, as for position power, leaders who have the power to hire and fire, discipline and reward, have more power than those who do not (Gannon, 1982; Yukl, 1989; Rost, 1991). By classifying a group according to Fiedler's three variables, it was possible to identify eight different leadership styles and group situations. These eight combinations were then classified as either task-oriented or relationship-oriented. The following table shows that task-oriented leadership was successful in five situations, while relationship-oriented leadership was successful in three situations (Gannon, 1982; Bryman, 1986; Yukl, 1989; Bass, 1990).

Table (2.4.3-1): Fiedler's Leadership Model

Leader-Member Relations	Task Structure	Position Power	Successful Leadership Style
Good	Structured	Strong	Task-Oriented
Good	Structured	Weak	Task-Oriented
Good	Unstructured	Strong	Task-Oriented
Good	Unstructured	Weak	Relationship-Oriented

Poor	Structured	Strong	Relationship-Oriented
Poor	Structured	Weak	Relationship-Oriented
Poor	Unstructured	Strong	Task-Oriented
Poor	Unstructured	Weak	Task-Oriented

According to Fiedler, a task-oriented style is more effective than relationship-oriented style under extreme situations, that is, when the situation is either very favorable or very unfavorable. Relationship-oriented leaders, however, perform better in moderately favorable situations (Gannon, 1982; Buchanan & Huczynski, 1997; Robbins, 2003; Robbins & Coulter, 2003). More recently, Fiedler has condensed these eight group situations down to three, and contended that task-oriented leaders perform best in situations of high and low control, while relationship-oriented leaders perform best in moderate control situations. But based on his view of leadership style as being fixed, there is only two ways through which leadership effectiveness can be improved; either to change the leader to fit the situation, or to change the situation to fit the leader (Bass, 1990; Robbins, 2003; Robbins & Coulter, 2003).

The research to test the validity of this model led to generally positive conclusions. But when we consider only the three categories rather than the original eight, then the evidence to support the model is ample. However, Fiedler's work was not without problems or criticisms, there are at least three problems with the theory. First, the three key variables are difficult to assess in practice. Second, the framework does not take into account the needs of subordinates. And third, the need for a leader to have technical competence relevant to the task is ignored (Yukl, 1989; Bass, 1990; Pierce & Newstrom, 1995; Buchanan & Huczynski, 1997; Robbins, 2003; Robbins &

Coulter, 2003). Among the strengths of this theory is that it demonstrates the importance of contextual factors in determining leader behavior and effectiveness, as it provides a systematic framework for developing the self-awareness of leaders (Bryman, 1986; Rost, 1991; Buchanan & Huczynski, 1997).

Later on, Fiedler and Joe Garcia re-conceptualized the theory through focusing on the role of stress as a form of situational unfavorableness and how a leader's intelligence and experience influence his reaction to stress. They called this re-conceptualization of the theory the Cognitive Resource Theory. The theory states that stress unfavorably affects the situation, and that intelligence and experience can lessen the influence of stress on the leader. Fiedler and Garcia found that in high-stress situations, bright leaders perform worse than do less intelligent counterparts, while in low-stress situations, more experienced leaders perform worse than do less experienced ones. This means that the leader's intelligence correlates positively with performance under low-stress situations but negatively under high-stress ones. On the other hand, the leader's experience correlates negatively with performance under low-stress situations but positively under high-stress ones (Bass, 1990; Pierce & Newstrom, 1995; Robbins, 2003; Robbins & Coulter, 2003).

2.4.3-2 Hersey and Blanchard's Situational Theory

In 1969, Paul Hersey and Kenneth Blanchard introduced their contingency theory on situational leadership. This model states that leadership style depends on the readiness of the followers as defined by their ability and willingness. And again, leadership style is seen as reflecting situational demands for task- or relationship-oriented behavior. The important dimension in this model, which has been overlooked in most leadership theories, is the emphasis on the followers as determinants of leadership effectiveness (Bass, 1990; Pierce & Newstrom, 1995; Robbins, 2003; Robbins & Coulter, 2003). Hersey & Blanchard argued that the readiness of followers to perform a particular task is a key factor in establishing an effective leadership style (Gray & Starke, 1988; Buchanan & Huczynski, 1997). They identified four specific leader styles; from highly directive to highly laissez-faire depending on the followers' ability and motivation. The continuum of these styles, as suggested by both theorists, illustrates a relationship between the authority wielded by the leader and the freedom experienced by the followers. The greater the use of authority by the leader, the less the freedom, or independence of action, will be allowed to the followers. Conversely, leaders who exert very little authority must have mature and capable followers to utilize their resulting freedom of choice effectively (Graeff, 1983, Gordon, 1991; Rost, 1991; Ivancevich & Matteson, 1993, Buchanan & Huczynski, 1997; Robbins, 2003; Greenberg, 2003; Robbins & Coulter, 2003). These four suggested styles are:

1. **Telling**: in which there is high amount of task behavior with little relationship behavior. Here the leader tells subordinates what to do, when to do, and how to do it; and subordinates here are unable and unwilling.
2. **Selling**: in which there is high amount of both task and relationship behavior. Here the leader sells ideas to subordinates who are unable but willing.
3. **Participating**: in which there is a lot of relationship behavior and support for subordinates, but little of task behavior and direction. The subordinates here are able but unwilling.
4. **Delegating**: in which there is not much task behavior nor relationship behavior. The leader here almost does not need to do much to subordinates who are both able and willing.

The main benefits of the model might be in the emphasis it replaced on the need for flexibility in leadership behavior, and in acknowledging the importance of followers and contextual factors (Graeff, 1983; Gordon, 1991; Buchanan & Huczynski, 1997). Research results to support the model were disappointing. This might be ascribed to internal ambiguities and inconsistencies in the model itself, as well as the research methodology in testing the theory (Robbins, 2003; Robbins & Coulter, 2003).

2.4.3-3 Leader-Member Exchange Theory (LMX)

The leader-member exchange theory (LMX) examines the relationship and role processes between a leader and individual followers. It is based on the understanding that leaders establish individual and mutually exchanged relationships with their followers. A leader typically has one major prevailing style of leadership, but most don't treat all followers the same way. The original theory was introduced in the mid 1970s and continues to be revised over time (Rost, 1991; Pierce & Newstrom, 1995; Yukl, 2001). According to LMX theory, followers fall into two different categories; the first is the "In-group", which is a group of individuals who have a special exchange relationship with the leader. They have greater access, influence, and favor, and are typically considered the trusted advisors or assistants of the leader, as they are more likely to receive special privileges. The second category is the "Out-group", which is a group of followers who have a low level of favor or mutual relationship with the leader; they get less of the leader's time, fewer of the preferred rewards that the leader controls, and typically complies with the formal role expectations of the leader. The determining factor of whether a member is to be of the "in-group" or "out-group" is usually based on bias or perceived similarities rather than valid information. Because of the special relationship with the leader, the in-group followers have certain responsibilities and obligations beyond those required of others. They are expected to have a greater sense of commitment, deeper loyalty, and share difficult administrative responsibility. The theory proposed that these relationships are relatively stable over time, and are developed early in the leader / follower relationship and are due to perceived competence, dependability, and personal compatibility. Later proposals interpreted this relationship as more of a "life cycle" model, or one that has "ups" and "downs" like most relationships (Dienesch & Liden, 1986; Rost, 1991; Robbins, 2003; Robbins & Coulter, 2003). The research to test LMX theory has been generally supportive. Substantive evidence was found on the leaders differentiating among followers, and on that the in-group followers will have higher performance ratings, lower turnover, and higher satisfaction than the out-group followers (Yukl, 1989; Johns, 1996; Robbins, 2003; Robbins & Coulter, 2003).

2.4.3-4 The Path-Goal Theory

The path-goal theory is a contingency model of leadership that focuses on the situation and leader behavior rather than leader personality traits. It was developed by Robert J. House in 1971, and it is closely related to the Ohio State leadership studies on initiating structure and consideration, as well as to the expectancy theory of motivation, according to which the effort a person is willing to put forth is influenced by two factors: expectancy and valence (Yukl, 2001; Robbins, 2003; Robbins & Coulter, 2003). The underlying basis of the theory is that the leader can affect the performance, satisfaction, and motivation of followers in different ways, among which offering rewards for achieving goals, clarifying paths toward these goals, and removing / reducing roadblocks to performance (Bass, 1990; Pierce & Newstrom, 1995; Yukl, 2001).

According to House, the leader may display four different types of leadership styles depending on the situation. These are:

1. **Directive**: the leader gives specific guidance to subordinates, and establishes ground rules and structures for the task.
2. **Supportive**: good and friendly relations are promoted with the group, and concern to followers' needs is shown.
3. **Participative**: decision making is based on consultation with the group and information is shared with them.
4. **Achievement-Oriented**: challenging goals are set and high performance is encouraged, while confidence is shown in the group's ability (Buchanan & Huczynski, 1997; Yukl, 2001; Robbins, 2003; Robbins & Coulter, 2003).

In contrast to Fiedler's model, this theory assumes that leaders are flexible and can display any of the previous styles depending on the situation. House also proposed two sets of contingent variables that could influence how effective the chosen leadership style would be in a given situation. These sets of variables are:

- Employees' Characteristics: such as locus of control, experience, and perceived ability.
- Environmental Characteristics: such as task structure, formal authority, and the work group (Buchanan & Huczynski, 1997; Yukl, 2001; Robbins, 2003; Robbins & Coulter, 2003).

Thus, the leader should select the style most relevant and helpful to particular employees in a given context. For example, a directive style will be relevant where it is necessary to provide clear guidance, timing and performance standards; but when the task is highly structured; this same style is considered redundant and less effective. There is some intuitive appeal in this conclusion that leaders must adjust their style to fit various employees in various situations, because it is clear that some employees are likely to need more guidance than others, and that some tasks are more predictable and routine than others (Buchanan & Huczynski, 1997; Yukl, 2001; Robbins, 2003; Robbins & Coulter, 2003). The logic underlying the theory was positively supported by research results. Employee performance and satisfaction are likely to be positively influenced by the leader's support when the situation shows the need for that, but they will be negatively affected when the context exhibits no need for such behavior or style. Altogether, the model has been acknowledged to some extent, but is also viewed as having limitations (Bass, 1990; Wofford & Liska, 1993; Pierce & Newstrom, 1995; Yukl, 2001; Robbins, 2003; Robbins & Coulter, 2003).

2.4.3-5 Leader Participation Model

The leader participation model was developed by Victor Vroom and Philip Yetton, and is also known as the "Normative Decision Theory". It is based on the fact that decisions made by the leader often have far-reaching effects on subordinates, and thus, one major determinant of the leader's effectiveness is the adequacy with which he performs this task. The model addresses the question about the form and amount of subordinates' participation in the decision making process, and argues that leader behavior must adjust to reflect the task structure. It provides a decision tree based on the answers of "yes" or "no" type to seven questions. The decision tree results in twelve possible outcomes and suggests that one or more methods out of five basic leadership styles might be acceptable depending on the outcome (Vroom & Yetton, 1973; Greenberg & Baron, 2000; Yukl, 2001; Greenberg, 2003; Robbins, 2003;

Robbins & Coulter, 2003). The five basic leadership styles often adopted by leaders according to this model are:

1. **Autocratic I**: the leader solves the problem or makes the decision personally using available information.
2. **Autocratic II**: the leader obtains necessary information from subordinates, but then makes the decision unilaterally.
3. **Consultative I**: the leader shares the problem with subordinates individually, but then makes the decision unilaterally.
4. **Consultative II**: the leader shares the problem with subordinates in group meeting, but then makes the decision unilaterally.
5. **Group Decision**: the leader shares the problem with subordinates in a group meeting, and then decision is reached through discussion to consensus (Vroom & Yetton, 1973).

More recently, Vroom and Arthur Jago revised the model. They retained the five alternative leadership styles, but added a set of problem types, expanded the contingency variables / questions to 12, and made the answer to the questions with five options instead of the simple "yes" or "no" answers (Vroom & Jago, 1988; Robbins, 2003; Robbins & Coulter, 2003). The research testing both the original and revised models of this theory has been encouraging. Yet, criticism focused on its complexity, time consuming of its application on a regular basis in day-to-day decision making, and its ignorance of other important situational variables such as stress, intelligence, and experience. Nevertheless, it made an important contribution to the understanding of leadership, since there is currently a widespread interest in allowing subordinates to participate in decision making (Greenberg & Baron, 2000; Greenberg, 2003; Robbins, 2003; Robbins & Coulter, 2003).

2.5 Contemporary Issues in Leadership

As long as there are humans on earth, new seeds of thought will be sown every now and then, and nurtured to produce new paradigms, models, and theories that incorporate all aspects of human knowledge. The train of knowledge will never stop and settle at one station, it will keep proceeding, and every day there will be something new. Leadership is not an exception. As a cabin in this train, and a branch of thought, it will keep advancing, giving birth to new schools, models and paradigms. In the following pages, some of these new paradigms that were recently developed in an attempt to identify and explain the reality and implications of leadership concept will be reviewed. These include the transactional and transformational leadership, charismatic leadership, visionary leadership, and the attribution theory of leadership.

2.5.1 Transformational and Transactional Leadership

In 1978, James McGregor Burns introduced the concept of transformational and transactional leaders. He argued that all political leaders could be classified as either one or the other. In addition, he related transactional leadership to bureaucratic authority, which emphasizes legitimate power and respect for rules and tradition, and it is based on the premise that a transaction takes place between the leader and followers that benefits both parties. According to Burns (1978), transactional leadership "occurs when one person takes the initiative in making contact with others for the purpose of an exchange of valued things" (Burns, 1978; p. 19). While describing transactional leadership, Burns (1978), theorized that leaders derive their power by identifying and satisfying the motives and needs of their followers. The motives and needs of the leader must also be identified and fulfilled in order for a transactional relationship to develop. This exchange of needs fulfillment was described by Hollander (1978) as a social exchange in which the leader and followers give and receive benefits. Hollander clarified this definition of exchange as leaders giving followers a sense of direction, values, and recognition, and followers providing leaders with esteem and responsiveness in return. The definition of transactional leadership as a social exchange was also supported by Bass (1990). Downton, Jr. (1973) described several underlying assumptions which are pertinent to the transactional theory of leadership. First, individuals engage in actions to obtain personal goals. Second, individuals pursue goals with the least amount of input possible for the greatest return. Third, behaviors that were successful in obtaining goals are continued, while unrewarded behavior was usually terminated. Finally, social exchanges create debts that have to be repaid at some time, and so reciprocity between individuals becomes an important aspect of their relationship. Burns (1978) felt that the majority of leaders and followers develop this kind of transactional association, but leadership of this nature does not provide motivation, inspiration, and intellectual stimulation for the leader or the follower. Bass (1985) suggested that transactional leadership would ultimately fail because these leaders lacked the reputation of delivering appropriate rewards, and were therefore viewed as ineffective. Robbins (2003) defined transactional leadership as "leaders who guide or motivate followers in the direction of established goals by clarifying role and task requirements" (Robbins, 2003; p. 343).

In contrast, a transformational leader motivates or "transforms" followers to do more than they are originally expected to do utilizing one or all of the following methods (Bass, 1994):

1) Stimulates interest among followers to view their work from new perspectives.
2) Generates awareness of mission or vision of the organization.
3) Develops followers to higher levels of ability and potential.
4) Motivates followers to work for the group benefit as well as their own.

According to Burns (1978) transformational leadership "…occurs when 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…. Their purposes, which might have started out as separate but related, as in the case of transactional leadership, become fused". However, "transforming leadership ultimately becomes moral in that it raises the level of human conduct and ethical aspiration of both the leader and led, and thus it has a transforming effect on both." (Burns, 1978; p. 20). Thus, transformational leaders will go beyond the simple transactional relationship of action-reward to satisfy the higher needs of the follower. This, in turn, results in a relationship of mutual stimulation (Burns, 1978).

The theoretical basis for transformational leadership is dependent upon Abraham Maslow's hierarchy of needs theory, developed in 1954, which later became one of the most frequently acknowledged motivation theories among managers (Mosley et al.1989). One underlying principle of Maslow's theory is that people's needs may be arranged in a hierarchy, ranked from basic or physiological needs at the lower level to self-fulfillment or actualization needs at the highest level (Maslow, 1954). Consistent with Maslow's hierarchy, the transforming leader is able to raise his followers' needs from concerns for physiological satisfaction, security, and affiliation to interest in achievement, recognition, and self actualization (Burns, 1978). Burns (1978) determined that the utilization of transformational leadership skills satisfied the higher level needs of subordinates while transactional leadership satisfied the lower order needs. The primary difference between transactional and transformational leadership is that transactional leadership involves an exchange of meeting lower level needs, such as work for compensation, and that transformational leadership engages people in the process of transforming the organization into higher levels of function, and thereby initiating major changes (Burns, 1978; Yukl, 1989; Bass & Avolio, 1994). Burns perceived leaders as being either transactional or transformational, but Bass (1985) proposed that transformational leadership augments the effects of transactional leadership on the efforts, satisfaction, and effectiveness of followers. Transformational leadership occurs more conspicuously in situations of organizational crisis and change, while transactional leadership style represents a method by which to accomplish daily routine management issues. The typical environment in which transformational leadership occurs is when four variables are present. These variables are: a crisis situation, emotional distress among organization members, a clearly defined leader, and an inspirational message. In such situation, the transformational leader will appear and create success to the organization (Willner, 1984; Bass, 1990; Bass & Avolio, 1994; Yukl, 2001).

The work of Burns inspired Bernard M. Bass to propose a theory of transformational leadership. He viewed transformational leaders as those who motivate followers to do more than they originally intended, and even more than they thought possible (Bass &

Avolio, 1994). According to Bass, transactional and transformational leadership styles are reflected by distinct, although not mutually exclusive processes; which means that the same leader might use both types of processes at different times in distinct situations. Bass proposed the "Full Range Model of Leadership", and found that seven dimensions were needed in order to describe existent leadership styles, which he categorized in three main styles that he termed transactional, transformational, and non-leadership (laissez-faire) style. In contrast to Fiedler, Hersey & Blanchard, and House, who had a more statically focus on identification of the most efficient leader behavior in certain situations, Bass argued that these three leader styles are used in combination. However, he proposed an optimal mix, which he argued should be preferred in order to perform active and effective leadership (Bass, 1985; Bass, 1990; Bass & Avolio, 1994). The seven dimensions or measurable factors that Bass used in his Full Range Model are shown in the following exhibit:

Table (2.5.1): Full Range Model of Leadership

Transactional Leader	
1	Contingent Reward: Contracts exchange of rewards for effort, promises rewards for good performance, recognizes accomplishments.
2.1	Management by Exception (active): Watches and searches for deviations from rules and standards, takes corrective action.
2.2	Management by Exception (Passive): Intervenes only if standards are not met.
3	Laissez-Faire: Abdicates responsibilities, avoids making decisions.
Transformational Leader	
4	Charisma: Provides vision and sense of mission, instills pride, gains respect and trust.

5	Inspiration: Communicates high expectations, uses symbols to focus efforts, and expresses important purposes in simple ways.
6	Intellectual Stimulation: Promotes intelligence, rationality, and careful problem solving.
7	Individualized Consideration: Gives personal attention, treats each employee individually, coaches, and advises.

Source: B. M. Bass, "From Transactional to Transformational Leadership: Learning to Share the Vision," Organizational Dynamics, Winter 1990, p. 22.

2.5.2 Charismatic Leadership

According to charismatic leadership theory, followers make attributions of heroic or extraordinary leadership abilities when they observe certain behaviors (Conger & Kanungo, 1988). Charismatic leaders were seen as being extremely highly esteemed persons who are gifted with exemplary qualities. They tend to exude confidence, dominance, a sense of purpose, and the ability to articulate the goals and ideas for which followers are already prepared psychologically. They have extraordinary influence over their followers, who become imbued with moral inspiration and purpose, and experience a magnetic attraction that transcends their usual experience (Fromm, 1941; Trice & Beyer, 1986; Bass, 1990). According to Robbins (2003), the best documented studies on charismatic leadership have isolated five characteristics of the charismatic leader. These are:

1. The vision and the willingness to take risk in order to achieve that vision.
2. Sensitivity to both environmental constraints and followers' needs.
3. Self-confidence.
4. Extraordinary behavior.
5. Being recognized as change agents.

Charismatic leaders influence their followers through the following:

1. Presenting an appealing vision through linking the present with a better future.
2. Expecting high performance and exuding confidence and trust in the followers' abilities.
3. Demonstrating a new set of values, both verbally and behaviorally.
4. Demonstrating extraordinary behavior, self-sacrifices, courage, and convictions about the vision (Downton, 1973; Conger & Kanungo, 1988; Bass, 1990; Robbins, 2003; Robbins & Coulter, 2003).

Bass (1990) characterizes the charismatic leader in a number of ways. He notes that charisma is dependent upon the follower as well as the leader. The follower must accept the charismatic leader's vision in order for charisma to be realized. Under times of stress within an organization, charismatic leaders are much more likely to appear. Once an individual is identified as a charismatic, the definition is likely to persist. The charismatic leader is often domineering, self-confident, and has a strong need for power. His ability to articulate a vision and engage his followers in his viewpoint makes him a transforming leader. The charismatic leader is also able to communicate to followers' ideological goals that are readily accepted by them. To achieve this, the leader must have a deep understanding of the needs of the subordinates. Once these goals are communicated, the charismatic leader demonstrates greater confidence in the followers' ability to reach the goals. This increases the likelihood of the followers internalizing the goals and ultimately realizing them. However, leaders who are personally charismatic, yet retain their own goals as separate from their followers are not considered true transformational leaders. These charismatic leaders will resist empowering and developing their followers

(Fromm, 1941; Trice & Beyer, 1986; Bass & Avolio, 1994). However, Bass excluded the "charisma" dimension from his model later on, because it could not be properly distinguished from inspirational leadership (Bass et al. 1999). Conger & Kanungo (1988) proposed a three-stage charismatic model of leadership as follows:

- Stage 1: the leader critically evaluates the status quo.
- Stage 2: the leader formulates and articulates future goals and an idealized future vision.
- Stage 3: the leader shows how the goals and vision can be achieved.

2.5.3 Visionary Leadership

Visionary leadership is a contemporary issue that analyzes leadership in terms of vision, and contends that leadership is a visionary concept (Bass, 1990; Morden, 1997). Bennis & Nanus (1985) defined visionary leadership in terms of the capacity to create a compelling vision, to translate it into action, and to sustain it. Morden (1997) defined vision as "an imagined or perceived pattern of communal possibilities to which others can be drawn, which they will wish to share, and which will constitute a powerful source of energy and direction within the enterprise." (Morden, 1997; p. 668). Nanus (1992) defined visionary leadership as "the ability to create and articulate a realistic, credible, attractive vision of the future for an organization or organizational unit that grows out and improves upon the present." (Nanus, 1992; p.8). Robbins (2003) stated that vision differs from other forms of direction setting in that it has a clear and compelling imagery that offers innovation; it connects to actions that followers can take to realize change; it taps followers' emotions and energy; and it creates enthusiasm and commitment among followers.

For the visionary leader to excel, he should be able to create possibilities that are inspirational, unique, challenging, attainable, and offer a new order that can produce organizational distinction and uniqueness. But he is likely to fail if he does not offer a view of the future that is clearly better for the organization and its members (Bass, 1990; Nanus, 1992, Morden, 1997; Robbins, 2003; Robbins & Coulter, 2003). Bennis and Nanus (1985) identified the following three basic skills that are usually displayed by visionary leaders:

1. The ability to create and explain it in a way that others can believe in and adopt as their own.
2. The capacity to communicate that vision both verbally and behaviorally and translate it into practicalities.
3. The ability to extend that vision to different leadership contexts, and create a climate of organizational trust.

2.5.4 Attribution Theory of Leadership

The attribution theory refers to a varied body of studies exploring the causes that individuals attribute to various events. These causes were said to be either internal, as with ability or effort, or external, as with luck or difficulty of task, and individuals were thought to make internal or external attributions with consistency (Rotter, 1966; Bass, 1990; Johns, 1996; Champoux, 2000). The attribution theory of leadership was initially proposed by Green and Mitchell (1979), it was derived from Heider's (1954) concept of people as naïve scientists, in which, people actively search for explanations of the behavior they observe, and form hypotheses as to the causes of this behavior. The resulting causal attributions determine, in turn, cognitive, affective, and behavioral responses toward the actor (Heider, 1954). This theory focuses on both the leader and the followers in an equal manner. It looks at how events and behaviors are interpreted by both. Thus, leadership and its effects may not be identified and measured effectively and objectively. The same is to be said about followers' behavior and performance (Johns, 1996; Champoux, 2000; Schermerhorn et al. 2003). In this model leaders attribute causes of followers' poor performance to something internal, such as lack of ability or effort, or to external problems beyond the followers' control, such as resources, lack of information or training (Moorhead & Griffin, 1998; Sinclair, 2001). Likewise, leadership is seen through this model as merely an attribution that people make about other individuals. Followers tend to characterize leaders as having such traits as intelligence, outgoing personality, strong verbal skills, aggressiveness, and determination. At the organizational level, the same framework is used to explain extreme organizational outcomes. That is, when the outcomes are either extremely negative or extremely positive, people tend to make leadership attributions to explain this outcome and performance (Luthans, 1995; Moorhead & Griffin, 1998; Sinclair, 2001; Robbins, 2003; Robbins & Coulter, 2003).

Among the interesting findings of this theory is that effective leaders are generally considered consistent in their decisions. However, following this model of leadership, the focus in identifying effective leaders will be on the appearance rather than the actual accomplishments. Thus, the whole process of evaluating the leader will not be objective and scientific (Pfeffer, 1992; Champoux, 2000; Robbins, 2003; Robbins & Coulter, 2003; Schermerhorn et al. 2003).

2.6 Conclusion

Thus far, the researcher has tried to present a clear picture concerning the development of leadership theory from its early beginnings until the present time in an attempt to hold at least a part of the various threads that wove the game. The literature was started by presenting a brief overview of management theories and its development since it is the foundation for the leadership studies and theories. Management thinking has evolved during the course of time through the various approaches that attempted to identify and conceptualize the issue of management. The first of these approaches was the scientific management approach, which is marked by the work and contributions of Frederick Taylor, who is known as the father of scientific management. This approach focused on worker and machine relationships. It contended that organizational productivity can be increased by increasing the efficiency of production processes through creating jobs that economize on time, human energy, and other resources. The classical approach emerged around the 1900s and focused on efficiency and total organizational management. It relied on a rational set of structuring guidelines such as rules and procedures, hierarchy, and a clear division of labor. The most influential researcher in this field was Henry Fayol (1841-1925), who is known as the father of modern management. He suggested that the basic functions of any manager incorporate planning, organizing, commanding, coordinating, and controlling. Based on the belief that the human aspect had been ignored by the previous theories the behavioral approach to management developed around the 1920s and 1930s. It was primarily concerned with human psychology, motivation, leadership, as it emphasized the role of motivation in achieving effective performance, and addressed the idea of employees as valuable resources. The quantitative approach focused on adapting mathematical and statistical models and applying them to management situations in areas of controlling, planning, operations management, and decision making. More recently, the evolution in management theory continued through integrating the previous theories into a synergistic product that incorporated the process approach, the systems approach, the contingency approach, the strategic management approach, the Japanese style approach, and the excellence approach.

During all this journey of progress in management thought, leadership studies maintained evolving and developing side by side with management thought. The review of leadership thought was started by looking at the various definitions of leadership. There were almost as many definitions as there were commentators on the concept. But most, if not all, of these definitions included the central idea of leadership as being the art and science of influencing others through the use of non-coercive power to achieve stated goals. The review then continued to explore the main theories put forward to identify and explain the concept of leadership. None of these theories could be recognized as mutually exclusive or totally time-bounded. However, it is important and fair to say that each generation has added some valuable thing to the overall thought which is still in progress.

Trait theories were the start, and were based on the underlying assumption that leadership is inborn. It sought to identify the characteristics that differentiate leaders from non-leaders, and it supposed that these traits are relatively stable and enduring. These theories ignored the importance of the situation, and failed to distinguish between effective and ineffective leaders. In contrast, behavioral theories argued that leadership can be taught. It focused on the behaviors exhibited by leaders and advocated that those behaviors do differentiate leaders from non-leaders. The most influential and comprehensive behavioral studies were those conducted at Ohio State University, and the University of Michigan. The studies of Ohio resulted in identifying two categories of behavior; initiating structure, which addresses the leader's likelihood of defining his role and that of his employees in the accomplishment of goals; and consideration, which addresses relationships that are based on trust and respect for employees' ideas. The studies of Michigan came up with other two similar dimensions: employee-oriented behavior which emphasizes the importance of interpersonal relations; and task-oriented behavior which emphasizes technical and task aspects of the job. Other studies in the field were that of Blake and Mouton who developed the managerial grid, which is a nine-by-nine matrix outlining 81 different leadership styles. In general, behavioral theories did not succeed in identifying consistent relationships between leadership behavior and group performance, and ignored the situational factors that influence success or failure (Stogdill, 1974; Bass, 1990; Rost, 1991). This failure gave birth to contingency theories which argued that predicting the success or failure of a leader would require a far more complex analysis that addresses, in addition to traits and behaviors, the situations in which the leader exists. The most remarkable models in this field were the Fiedler model, Hersey & Blanchard's situational theory, Leader-member exchange model, the Path-goal theory, and the Leader participation model.

Fiedler's model argued that effectiveness of group performance is contingent on the proper match and combination between the leadership style and how much control a leader has over a specific situation. To define this situation, Fiedler identified three variables: leader-member relations, task structure, and position power. But the most important assumption in Fiedler's model was that leadership is considered to be fixed and stable. Hersey & Blanchard's theory argued that it is the follower who either accepts or rejects what a leader does. It identified four leader styles ranging from highly directive to laissez-faire, and contended that the followers' ability and willingness determine which style is to be used. The leader-member exchange model argued that the leader does have one major prevailing style of leadership, but he tends to create in-groups and out-groups among his followers. The path-goal theory argued that the leader's role is to assist followers in attaining their goals and to provide the direction and support to ensure that their goals are compatible with the overall objectives of the organization. He can do this by displaying one of four basic leadership styles: the directive, supportive, participative, or achievement-oriented. The leader participation model addressed the question about the form and amount of followers' participation in the decision making process, and argued that the leader's behavior should adjust to reflect the task structure. In general, no one contingency model has received strong research support, but together, they did make us aware that effective leaders adapt their behavior and style to meet the differing requirements of the ever-changing situational circumstances.

More recently, the notions of transactional, transformational, charismatic, visionary, and attribution leadership have emerged and gained wide recognition. Transactional leaders are those who guide or motivate their followers in the direction of established goals by clarifying role and task requirements. They are usually characterized by contingent reward and management by exception behaviors. In contrast, transformational leaders are those who inspire followers, broaden and elevate their interests, generate awareness and acceptance of purposes and mission, and stir their employees to look beyond their self interests for the good of the organization. They are characterized by idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. Charismatic leadership occurs when followers make attributions of heroic or extraordinary leadership abilities when they observe certain behaviors or extreme outcomes. Five personal characteristics were labeled to charismatic leaders which are: vision, sensitivity, self-confidence, extraordinary behavior, and being change agent. Visionary leadership was defined as the ability to create and articulate a realistic, credible, attractive vision of the future that grows out of and improves upon the present. Finally, the attribution theory of leadership focused on both the leader and the follower in an equal manner, and argued that the focus of each party on the other usually results in causal attributions that determine cognitive, affective, and behavioral responses toward the actor. In general, this theory suggested the idea that leadership is merely an attribution that people make about other individuals.

To synthesize and sum up, the body of knowledge relating to leadership and the various theories put forward to identify effective from non-effective leaders evolved around three main central questions, which were:

- Who are the effective leaders, or what characterizes them?
- How do effective leaders behave?
- What are the situational factors that affect the leader's effectiveness?

Nevertheless, none of the forwarded theories could be recognized as mutually exclusive, and no single theory was able to exclusively explain the issue of leadership, or clearly identify the factors and/or reasons that distinguish effective from non-effective leaders. In spite of the countless scholars and theorists studying the concept of leadership, there is still no consensus among them on an all encompassing system that takes into account the varied perspectives of it. Burns (1978) captured this elusiveness of the concept when he noted that leadership is one of the most observed and least understood phenomena on earth. But the general fact that combines between the various efforts and attempts to identify effective leadership, and which can be considered as a synthesis of all these endeavors is that effective leadership is a game of power, art, and science. The power can be gained, the art is a kind of inborn ability, the science can be taught, and the game is to play effectively and efficiently with these three weapons in hand against the situational settings that surround you. Thus if we want to prepare effective leaders for the future from the present generations we should start teaching them early how to synthesize and harmonize between their inborn abilities, the powers they gain, and the leadership science they learn so as to employ them effectively and efficiently within the situation and environment they are engaged in.

Still, there are some issues that did not have the proper attention and seem to be ignored by the previous studies. Among these issues are the following:

- The role and influence of corporate culture on leadership effectiveness.
- The role of education, training, and continuous development in enhancing leadership effectiveness.
- The role of political fluctuations and economic instability on the success or failure of leaders.
- The role of the subordinates' characteristics in terms of their morale, psychological stress, values, ethics, mentality, and education on the choice of the best leadership style to be utilized.

- The issue of change management, and how could it be implemented in a way to guarantee successful and effective leadership.
- Is there any impact of the size of the organization on the choice of leadership style?

These issues and concepts need to be seriously and deeply explored because it is believed that they will positively contribute to the over all body of knowledge relating to leadership studies.

Chapter Three

Research Design and Methodology

3.1 Introduction

The purpose of the research is to investigate systematically and in an organized effort for solutions to a problem after a thorough study and analysis of the situational factors, and to produce new knowledge that is generalizable beyond the populations directly studied. It is about finding answers to questions being asked with regard to a particular problem or issue through the application of scientific procedures (Kerlinger, 1973; Sekaran, 2000). This implies that the first step in research is to identify as clearly and specifically as possible the problems that need to be studied and resolved, and state the questions that need to be answered, then steps can be taken to gather information, analyze the data, determine the associated factors, provide suitable answers to the questions, and take the necessary corrective measures.

The main question of this management oriented research project is related to identifying the leadership styles employed by the large scale Palestinian industrial leaders. Therefore, this chapter addresses some of the various social science methodological issues that are related to deciding on the appropriate research technique to find the answers for the questions asked by this study. It will start with a definition of research, its importance in finding solutions for the day-to-day problems, and its role in decision making for both the short and long-run issues. Then the research methods related to the scope of this study will be addressed within the context of the literature review presented earlier in this research. A description and discussion of the selected methodology will follow, along with identification of the research problems, survey instruments and its validity, research design, sampling, and procedures followed for collection and analysis of data. The chapter will end up by citing the limitations of the study and the reasons behind such limitations.

3.2 Definition of Research

Research can be seen as a disciplined inquiry to investigate certain areas of knowledge and discover, acquire, and use new patterns of thought. It is simply an organized and systematic way of finding answers to questions. Sekaran (2000) defines research as "an organized, systematic, data-based, critical, objective, scientific inquiry or investigation into a specific problem, undertaken with the purpose of finding answers or solutions to it." (Sekaran, 2000, p. 4). Waltz & Bausell (1981) define research as "a systematic, formal, rigorous, and precise process employed to gain solutions to problems and/or discover and interpret new facts and relationships" (Waltz & Bausell, 1981, p. 1). Payton (1979) defines it as "the process of looking for a specific answer to a specific question in an organized, objective, and reliable way." (Payton, 1979, p. 4). Kerlinger (1973) supports the conception of research as being a systematic process and defines it as "systematic, controlled, empirical, and critical investigation of hypothetical propositions about the presumed relations among natural phenomena" (Kerlinger, 1973, p.1).

Thus, research involves organized, systematic, carefully executed, and objectively carried out activities and processes that enable the researcher to find solutions to the posed problems or questions. These activities encompass the processes of inquiry, investigation, examination, and experimentation (Sekaran, 2000). The main purpose of conducting basic research according to Sekaran (2000) is to generate more knowledge and understanding concerning certain phenomena or problems in certain areas of interest. In addition to generating more knowledge and improving understanding, Carter & Douglas (1972) state that research can be used to test and define certain conditions that exist, practices that prevail, beliefs that are held, processes that are going on, or trends that are developing. In short, research forms the backbone of knowledge and the process of decision making; whether one is making a short-run or a long-run decision, the more he/she knows and understands about the subject matter, the more he/she will be confident in his decision.

3.3 Types of Research

Any research undertaken in any field of knowledge can be seen as one of three basic types:

1. **Pure Basic Research**: Experimental and theoretical work undertaken to acquire new knowledge without looking for long-term benefits other than the advancement of knowledge.
2. **Strategic Basic Research**: Experimental and theoretical work undertaken to acquire new knowledge directed into specified broad areas that are expected to lead to useful discoveries. It is chiefly done to enhance the understanding of certain problems that commonly occur in situational contexts, and seek methods of solving them.
3. **Applied Research**: Original work undertaken primarily to acquire new knowledge with a specific application in mind. It is chiefly done with the intention of applying the results of the findings to solve specific problems that are currently being experienced (Carter & Douglas, 1972; Kerlinger, 1973; Payton, 1979; Sekaran, 2000).

3.4 Types of Research Design

The research design can be one of the following categories based on the nature and purpose of the resulting study:

1. **Descriptive**: To describe what exists, what events or outcomes are occurring, or to identify the prevailing characteristics of a category, a behavior, a situation, a person, or an organization. Its goal, hence, is to offer a profile or to describe relevant aspects of the phenomena of interest.
2. **Explorative**: To identify which characteristics or details relate to observed events, phenomena, or reasoning. It is undertaken when not much is known about the situation at hand, so there is a need to better comprehend the nature of the problem.
3. **Evaluative**: To identify how well did a process or procedure work. It ought to be founded on an established model or theory, or form the basis for a new one.
4. **Predictive**: To identify the existence and strength of relationships between variables, and to find out what will happen when one variable changes, taking into consideration that we do not always have control over variables, since things happen and we are merely observers.
5. **Explanatory**: To identify the causes of an observed outcome. Here the researcher is interested in testing proposed causal relationships, identifying one or more potential independent variables and their effect on the dependent variable.
6. **Control**: To identify what will happen to a second proposed dependent variable when the suspected independent variable is changed. Here the researcher could test the application of a relationship described in a theory to a

new situation, or replicate another study that has tested a causal relationship (Black, 1999; Sekaran, 2000).

3.5 Research Methodology Selection

Through the literature review of leadership studies presented in chapter two of this study, we have seen that various research methods were employed in the various approaches to leadership and the different theories tested to identify and define the leadership concept. Bass (1990) stated that every procedure known to social science in general has been applied specifically to the study of leadership. He added that theories of leadership have depended on different methods of verification, and models of leadership have depended on different methods of measurement. Qualitative and quantitative methods were employed, and various procedures were used. These procedures have included questionnaires; autobiographical analysis; biographical analysis; case studies; the evaluation of news records; memoranda and minutes of meetings; the analysis of speeches; ratings by observers, superiors, peers, subordinates, and clients; individual interviews; and many other procedures (Bass, 1990).

The basic purpose of this study is to explore and identify the leadership styles employed by the leaders of the large scale Palestinian industries. Therefore, a careful selection of the most appropriate methodology for data collection, processing, and analysis should be considered, taking into account that the selection process has been widely recognized as problematic and dependent on the purpose, process of investigation, and the desired outcomes (Sekaran, 2000; Zikmund, 2000). But before taking a decision on the most appropriate methodology for this study, it is useful and important to take a look at the quantitative, qualitative, and triangulation methodologies of research.

3.5.1 Quantitative Methodology

The quantitative research is a type of research that provides numerical measurement and reliable statistical predictability of the results to the total target population. It is distinguished primarily by the large numbers of people who are questioned "sampled respondents" and the type of questions asked. It calls for procedures that are public, that use precise definitions, that use objectively-seeking methods for data collection and analysis, that are replicable so that findings can be confirmed or disconfirmed, and that are systematic and cumulative (Patton, 1990; Gage, 1994). The quantitative research methodology is appropriate where quantifiable measures of variables of interest are possible, where hypotheses can be formulated and tested, and inferences can be drawn from samples to populations (Patton, 1990). The most common quantitative research techniques include the observation technique, the experimental technique, and the survey technique using a standardized questionnaire and/or self-administered interviews (Sekaran, 2000). To do a good quantitative research, the researcher needs a well-designed questionnaire, a randomly selected sample, and a sufficiently large sample to enable the generalizability of the findings (Patton, 1990; Black, 1999; Sekaran, 2000).

Horna (1994) believes that quantitative research designs are best used to describe and explain social facts that can be investigated through the use of methodologies of deductive logic to explain natural sciences. Similarly, Creswell (2003) believes that quantitative methods are used primarily to test or verify theories or explanations, identify variables to study, relates variables in questions or hypotheses, uses standards of validity and reliability and employs statistical procedures. He adds: "A quantitative approach is one in which the investigator primarily uses post-positivist claims for developing knowledge…and collects data on predetermined instruments that yield statistical data" (Creswell, 2003, p.18).

York (1998), Zikmund (2000), and Creswell (2003) identified the following advantages of quantitative research:

1. The data is usually gathered using more structured research instruments.
2. The results are based on larger sample sizes that are representative of the population, and thus, have a high degree of generalizability.
3. The research can usually be replicated or repeated, giving it high reliability.
4. The analysis of the results is more objective.
5. Quantitative methods are well-suited to finding answers to the "who, what, when and where" questions.

Among the drawbacks of quantitative research, Huysamen (1997), Sekaran (2000), Zikmund (2000), and Creswell (2003) identified the following:

1. Quantitative research is neither appropriate nor cost effective for learning why people act or think as they do. The questions must be direct and easily quantified, and the sample must be quite large so as to permit reliable statistical analysis.
2. The issues are only measured if they are known prior to the beginning of the survey and, therefore, have been incorporated into the questionnaire.

3. The possibility of the researcher bias resulting from selective observation and selective recording of information, and also from allowing one's personal views and perspectives to affect how data are interpreted and how the research is conducted.
4. The resulting theory often fails to take account of the unique characteristics of individual cases.
5. The response rate is almost always low.

3.5.2 Qualitative Methodology

Qualitative research focuses on subjective data that is not easily coded into numbers. The emphasis is on words and feelings rather than numbers. Qualitative research tends to work with fewer subjects or respondents (cases) but analyses each case to a deeper level. It is particularly useful when management needs to answer questions relating to motivation and emotions, and to test hypotheses regarding certain behaviors. It follows that qualitative analysis is a set of techniques specifically developed to analyze qualitative data like content analysis, behavioral analysis, conceptual analysis, and to describe the unfolding of the social process with the emphasis on the understanding of what is going on from the participant's perspective (Patton, 1990; York, 1998; Zikmund, 2000).

Mason (1994) describes qualitative research as grounded in a philosophical position that is broadly interpretive in a sense that is concerned with how the social world is interpreted, understood, experienced or produced. It is based on methods of data generation that are flexible and sensitive to the social context in which data are produced, as it is based on methods of analysis and explanation building which involve understanding of complexity, detail, and context. Liebscher (1998) states that qualitative methods are more appropriate when the phenomena under study are complex, are social in nature, and do not lend themselves to quantification. According to Skinner et al. (2000), qualitative research focuses on peoples' experiences and meanings in a normal social setting, while also focusing on processes and structures. It studies the social world and analyzes and describes human behavior from the point of view of those being studied.

Qualitative research has alternative research methods such as action research, case study, grounded theory, historical methods, and ethnography. Ethnography is the study of cultures in their natural settings. Grounded theory is designed to develop theory through a highly inductive but systematic process of discovery. A major focus is on the observation of similarities and differences in social behavior across social situations. It also has alternative data collection methods such as interviews, field of observations, diaries, and letters (Gibbs, 1991; York, 1998).

Patton (1990), Gibbs (1991), Mason (1994), York (1998), Zikmund (2000), Skinner et al. (2000), and Creswell (2003) state the following advantages and disadvantages of qualitative research:

Advantages	**Disadvantages**
In-depth examination of phenomena	Subjectivity leads to procedural problems
Uses subjective information	Replicability is very difficult
Not limited to rigidly definable variables	Researcher bias is built in and unavoidable

Examines complex questions that can be impossible with quantitative methods	In-depth, comprehensive approach to data gathering limits scope
Deals with value-laden questions	Labor intensive and expensive
Explores new areas of research	Not understood well by "classical" researchers
Builds new theories	

Thus far, we have seen that both quantitative and qualitative research methods have advantages and disadvantages, as they have similarities and differences. Nevertheless, both have common and shared aspects. Each type of them generally follows the steps of scientific method, which are 1) Choosing research topics 2) Constructing hypotheses 3) Selecting methods 4) Collecting data 5) Analyzing data 6) Interpreting data and drawing conclusion (Black, 1999, Sekaran, 2000). However, in deciding to undertake a project of research, the researcher must inevitably choose between one of these two approaches, thus, the debate continues on whether to use quantitative or qualitative methodology. This choice should be guided by the nature of the research question and the existing knowledge about it (York, 1998). In fact, the two approaches are so intertwined that a study of quantitative methodology is nearly impossible without referring to the qualitative method. Thus, both approaches should be combined to yield findings that provide better understanding, and enable the researcher to get the most out of the situation being researched (Silverman, 1985). This combination of methods is known as the triangulation research methodology.

3.5.3 Triangulation Methodology

Triangulation is the combining of two or more methods/data types to measure the same phenomenon. Triangulation has been around for many years and was originally used in naval circles and is often used in medical research. It has long been established that using several methods to measure the same thing is more valid than using one. If the employment of two measurement methods results in the same findings, any conclusions drawn will have greater validity compared to those based on one method. The word triangulation implies the use of three methods; however, this method can use the results of more than three. The method converts the different results into common points of reference so that they may support or contradict one another leading to a more accurate picture of the safety performance, and safety management within a plant, site or organization (Denzin, 1970). Stake (1995) states that the triangulation methodology is used to ensure accuracy and alternative explanations, and that it arises from the ethical need to confirm the validity of the processes. Denzin (1984) identified four types of triangulation: *Data source triangulation*, when the researcher looks for the data to remain the same in different contexts; *Investigator triangulation*, when several investigators examine the same phenomenon; *Theory triangulation*, when investigators with different view points interpret the same results; and *Methodological triangulation*, when one approach is followed by another, to increase confidence in the interpretation.

Rogelberg (2001) argues that the use of multiple methods can advance our understanding of constructs, which leads to scientific progress. Jick (1979) points out that triangulation can result in greater confidence in results, more creativity in research design, better understanding of divergent results or outliers, and a more comprehensive integration of theories. He adds that triangulating quantitative with qualitative methods allows the researcher to measure the construct in a more proximal manner, thus allowing a clearer understanding of the complexity of the situation under investigation and more confidence in generalizing the results and findings of the study. Sekaran (2000) emphasizes the need for multi-methods of data collection as almost all methods have biases associated with them. Therefore, the collection of data through multi-methods and from multiple resources lends rigor to research, and we will have more confidence in the goodness of the collected data.

3.5.4 The Selected Methodology

Many factors should be considered when choosing the appropriate methodology for a given research project. The main purpose for the study, its scope and setting, the research type, and the unit at which the data will be analyzed (unit of analysis) are all integral to research design and methodology selection. The extent of scientific rigor in a research study depends on how carefully the researcher has chosen the appropriate design and methodology, taking into account the specific purpose of the study (Sekaran, 2000; Creswell, 2003).

The main purpose of this study is a descriptive one that is intended to ascertain and describe the characteristics of Palestinian industrial leaders and their leadership styles. The questionnaire survey form and the personal interview were the main instruments used to elicit data and information for analysis, and to form the conclusions and recommendations of the study. Two units of analysis were used; the individual unit to analyze the data concerning the leadership styles, and the dyad unit of analysis to analyze the outcomes of the employed leadership style, which emerge from the interaction between the respondents as subordinates, and the rated leaders as supervisors. The descriptive method was the logical choice for the study since it seeks to synthesize the emerging patterns, polices, and practices of Palestinian business leaders, and derives conclusions about the prevailing leadership style in Palestinian industrial sector. Descriptive studies are also undertaken to understand the characteristics of organizations, groups, and/or individuals who follow certain common practices. Its goal, hence, is to offer a profile or to describe relevant aspects of the phenomena of interest from an individual, organizational, industry-oriented, or other perspective (Carter & Douglas, 1972; Black, 1999; Sekaran, 2000). Carter and Douglas (1972) describe descriptive research as: "It is concerned with conditions or relationships that exist; practices that prevail; beliefs, points of views or attitudes that are held; processes that are going on; effects that are being felt; or trends that are developing. At time, descriptive research is related to some preceding events that have influenced or affected a present condition or event." (Carter & Douglas, 1972, p. 550).

Based on what has been discussed in the previous pages, the triangulation research methodology was adopted by this study since it combines between both the qualitative and quantitative methodologies, and thus, different methodological strengths and weaknesses will be cancelled out to produce more convincing findings and allow the capturing of a more complete, holistic and contextual portrayal of the topic under study (Mason, 1994). Furthermore, the data that was elicited through the survey instruments utilized in this study produced both quantitative and qualitative data. Thus the rational choice was to adopt the triangulation methodology that permits dealing with both types of data from different perspectives and through different statistical measures, and this, in result, will lend much scientific rigor to the study.

3.6 Sampling

Sekaran (2000) defines sampling as "the process of selecting a sufficient number of elements from the population, so that by studying the sample and understanding the properties or the characteristics of the sample subjects, it would be possible to generalize the properties or characteristics to the population elements" (Sekaran, 2000, p. 268). Because most populations are very large, and it is extremely costly and impractical to investigate each member of the population to determine the values of the parameters, Keller and Warrack (2000) state that statistical inference permits us to draw conclusions about a population parameter based on a sample that is quite small in comparison to the size of the population. Black (1999) stipulates two requirements of taking samples from populations. The first is that the sample should be representative of the population to ensure external validity, and permit the generalization of the findings. The second is that the sample should prevent the introduction of new extraneous confounding variables.

There are two major types of sampling designs: probability and nonprobability sampling. In probability sampling, the elements in the population have some known probability of being chosen as sample subjects. In nonprobability sampling, the elements do not have a known or predetermined chance or probability of being selected as subjects. Depending on the extent of the desired generalizability, the availability of time and other resources, and the purpose of the study, various techniques of probability and nonprobability sampling do exist. Among these techniques are the following (Black, 1999; Keller & Warrack, 2000; Sekaran, 2000; Creswell, 2003):

1. **Simple Random Sampling**: when all elements in the population are considered with each having an equal chance of being selected.
2. **Systematic Sampling**: every *n*th element in the population is chosen starting from a random point in the population frame.
3. **Stratified Random Sampling**: the population is first divided into meaningful segments, then subjects are drawn either in proportion to their original numbers in the population, or disproportionately based on criteria other than their original numbers in the population.
4. **Cluster Sampling**: groups that have heterogeneous members are first identified, then some are chosen at random; all the members in each of the randomly chosen groups are studied.
5. **Convenience Sampling**: a non-probability sampling where the most easily accessible members are chosen as subjects.
6. **Purposive Sampling**: a non-probability technique where sampling is confined to specific types of people who can provide the desired information, either because they are the only ones who possess it, or conform to some criteria set by the researcher. Two types of purposive sampling exist: **Judgment Sampling**, where subjects are selected on the basis of their expertise in the subject investigated; and **Quota Sampling**, where the subjects are conveniently chosen from targeted groups according to some predetermined number or quota.
7. **Snowball Sampling**: where subjects with desired traits or characteristics give names of further appropriate subjects to be contacted. This technique is of value when there are no lists of population members anywhere, not even identifiable clusters.

The first step in sampling is to identify the population to which the findings of the study will be generalized. The major thing to keep in mind here is to maintain a high degree of external validity, which refers to the approximate truth of propositions, inferences, or conclusions, and means the degree to which the conclusions of the study would hold for other persons in other places and at other times. This can be achieved through the careful selection of a truly representative sample, which might become severely problematic when there are no official or authoritative lists of the population members (Black, 1999; Keller & Warrack, 2000; Sekaran, 2000; Creswell, 2003).

3.6.1 The Population Frame

The population frame is a listing of all the elements in the population from which the sample is drawn (Black, 1999; Creswell, 2003). Although it is useful in providing a listing of each element in the population, it may not always be easy to get a current, authoritative, and updated document of it. Thus, there is no guarantee that the population frame will give an accurate listing of all the elements (Sekaran, 2000; Creswell, 2003).

The main purpose of this study is to explore and identify the leadership styles of the Palestinian industrial leaders. Thus, the population frame of the data that will be utilized in this study is the Palestinian industrial companies as indicated by the Palestinian Central Bureau of Statistics (PCBS) in its industrial survey-2000 (2002). According to PCBS (2002) an enterprise is "an economic entity that is capable, in its own right, of owning assets, incurring liabilities and engaging in economic activities and transactions with other entities." (PCBS, 2002, p. 15). The problem here is that the PCBS does not provide and does not have a full and official list by the names and addresses of these companies. It merely states tables and numbers like the one shown below. According to it, the total number of Palestinian industrial companies is (13809). These companies were divided into the following 17 strata or groups:

Table (3.6.1): Palestinian Industrial Institutions

No.	Economic Activity	No. of Companies
1	Food & Beverages	1868
2	Textiles	287
3	Clothing & Wearing Apparel	2048
4	Leather Tanning & Manufacturing of Bags & Shoes	698
5	Wood & its Products	890
6	Paper & its Products	49
7	Publishing, Printing & Reproduction	196
8	Chemicals & its Products	194
9	Rubber & Plastic	149
10	Non-Metallic Products	1746
11	Basic Metals	25
12	Metal Products	3116
13	Machinery & Equipment	220
14	Electrical Machinery	89
15	Medical & Optical Equipment	58
16	Transportation Equipment, Motor Vehicles & Trailers	17
17	Furniture & Recycling	2159
	Grand Total	**13809**

Adapted from: PCBS (2002). The Industrial Survey-2000, Main Results.

As indicated in chapter one of this study, and based on the findings of previous studies conducted on Palestinian industry, 97% of the total Palestinian industrial establishments are classified as small and medium scale manufacturing companies with 20 or fewer employees, and there are only 14 establishments that employ more than 100 employees (Nasr, 1997; Nasr, 2002; Nasr 2003; Sabri, 1998; Sabri, 1999). By means of figures, there are only 415 industrial establishments that can be considered as large scale industries that employ more than 20 employees. The rest "are not more than craft workshops, or small businesses at which their owners and the members of their families work, besides one or two paid workers." (Nasr, 1997, p. 11). Such small businesses and workshops will be of no use to this study which attempts to identify the leadership styles employed by Palestinian industrial leaders. Thus, and for achieving the purposes of the study, these small businesses will be excluded, and the population frame that will be targeted is only the industrial companies employing above twenty employees and can be considered as large scale industries. This exclusion is based on the following reasons:

1. These small workshops and ateliers have no distinction between ownership and leadership; the owners are usually themselves the leaders and managers of the business and most often without previous managerial experience and competence.
2. They are usually closed systems and do not disclose any information or data.
3. They usually do not have organizational structures, functional departments, administrative positions, or systemized activities and managerial procedures.
4. There is no leadership in its generic framework in such businesses; all that can be found is a mixture of ownership obligations and daily activities of running a small business and craft workshops.

Another important issue is that Gaza Strip will also be excluded from the targeted population due to the difficulty, if not the impossibility, of reaching Gaza and eliciting data from it. The reason is the measures, bans, and restrictions imposed by the Israeli forces which prohibit any West Banker from reaching Gaza Strip.

3.6.2 The Sample

The main effort here lied in identifying the population of the Palestinian large scale industries, which, according to PCBS (2002), counts for 415 establishments, and getting an official, documented, and authoritative list that includes the names and addresses of these establishments, so as to draw a representative sample from them. To achieve this purpose, regardless of its difficulty, the researcher contacted the following official Palestinian institutions:

1. Palestinian Central Bureau of Statistics: the researcher got the official documents and surveys that state the total number of the Palestinian industrial establishments and their various economic activities.
2. Ramallah and Albireh Chamber of Commerce and Industry: the researcher got a list of names and addresses of the establishments that are officially registered as members of the Chamber, and located in Ramallah or Albireh.
3. The Federation of Palestinian Chambers of Commerce, Industry, and Agriculture: the researcher got a list of names and addresses of all registered Palestinian establishments, both in West Bank and Gaza Strip. But most of them were small businesses and craft workshops.
4. Palestinian Federation of Industries: no official or documented list of industries was found. Only a list of the names and addresses of the various individual industrial associations was available.

5. Palestinian Food Industries Association: no official list of all the Palestinian food industries was found, but a list of the members who are officially registered at the Association was available.
6. Ministry of National Economy: no official list of industries was found, but the number of these industries as indicated by PCBS along with the various economic activities and their geographic distribution in West Bank and Gaza.
7. Palestinian Trade Center (PalTrade): no official list of industries was found, but a study conducted on the industrial sector to assess its needs. This study contained a list of the individual industrial associations with the number of members registered at each association/union.
8. Palestine Economic Policy Research Institute (MAS): no official list of Palestinian industries was found.

Thus, no authoritative database of Palestinian industrial establishments was available. To solve this problem, the researcher followed the following two procedures to get a list of the large scale Palestinian industrial establishments and draw a sample from it:

1. The list of registered members in the Federation of Palestinian Chambers of Commerce, Industry, and Agriculture, along with the members registered in the various individual industrial associations was used to identify the manufacturing establishments to the survey.
2. Snowball Procedure: the personal expertise of some economic, industrial, and academic Palestinian experts was sought to help the researcher locate the names and addresses of the large scale Palestinian industries. Furthermore, and wherever possible, some of the known establishments were also asked to name other manufacturing companies that might be known to them.

The sampling process took into account the geographical allocation of the industrial clusters in the West Bank which hold about 70% of the total Palestinian industries. 60% of these industrial establishments are located in the three major cities of Nablus, Ramallah, and Hebron (Nasr, 1997, p. 11). The sampling process also adopted the following groups in which the major Palestinian industries are concentrated according to the National Ministry of Economy:

1. Food, beverages and tobacco.
2. Textiles & wearing apparel.
3. Wood & furniture.
4. Paper products & publishing.
5. Rubber, plastic and non-metallic products.
6. Metals.
7. Chemicals & pharmaceutical products.

Since the generalizability of the findings is one of the main objectives of the study, a proportionate stratified random sample was chosen as representative of the whole population of Palestinian large scale industries. This strategy of sampling was chosen to ensure that the proportion of the subjects represented in the sample from each stratum is the same in the sample as it is in the population. Thus, the elements are represented in the sample according to their population incidence, and this will improve the representativeness of the sample by reducing the sampling error (Black, 1999; Dillman, 2000; Sekaran, 2000; Creswell, 2003). Black (1999) and Sekaran (2000) state that the proportionate stratified random sample does provide more precision to the study since the large pool of subjects is divided into several groups (strata) and then the subjects are randomly selected from within each group. They add that such a sample makes more sense when the data are heterogeneous but can easily be split into strata that are more homogenous. This was the case with the population of the Palestinian industrial establishments. The whole population was split into distinguished groups according to the economic activity, then a proportion of 25% subjects were drawn equally and randomly from within each stratum to ensure that they have the same proportion in the sample as they have in the whole population, and to ensure an effective and efficient representation of each segment in the population and obtain more valuable and differentiated information with respect to each group (Black, 1999; Dillman, 2000; Sekaran, 2000; Creswell, 2003). The chosen companies were initially contacted to make sure that they have more than 20 employees. Once it happened that a company does not have this number of employees, it was replaced by another randomly selected subject from the same stratum or sector. The following table shows the adopted groups or sectors of the Palestinian industries, the number of elements in each group as obtained through the above mentioned procedures, the proportion of the elements in the population, the chosen proportion, the number of the chosen subjects, and the proportion of the chosen subjects in the sample:

Table (3.6.2): The Sample

Industrial Sector	No. of Elements	Elements' Proportion in the Population	Chosen Proportion	No. of Subjects	Subjects' Proportion in the Sample
Food, beverages & tobacco	47	22%	25%	12	22%
Textiles & wearing apparel	24	11%	25%	6	11%
Wood & furniture	34	16%	25%	9	16%
Paper products & publishing	19	9%	25%	5	9%
Rubber & plastic	31	15%	25%	8	15%
Metals	16	7%	25%	4	7%
Chemicals & pharmaceuticals	44	20%	25%	11	20%
Total	**215**	**100%**		**55**	**100%**

Source: own conclusions.

3.6.3 Data Resources

The data utilized in this study was obtained through the following main resources:

1. **Basic Data Resources**: the main resource was the literature survey presented in chapter two, which formed the basic foundation for the study through presenting and identifying the various theories and approaches put forward to explain and identify the theory of leadership. Another resource was the works and studies of Bernard M. Bass and Bruce J. Avolio and their Full Range Model of leadership, which formed the theoretical framework for the study.
2. **Primary Data Resources**: this data was gathered through the utilization of the Multifactor Leadership Questionnaire and the structured interview with the leaders of the chosen industrial establishments. At each of the chosen companies the first three highly placed administrators under the rank of the

leader were selected as the most knowledgeable potential respondents in rating the leadership style of the leader.

3. **Secondary Data Resources**: the secondary data which formed the names, addresses, and numbers of the target population were gathered from the following official Palestinian institutions:
    - Palestinian Central Bureau of Statistics.
    - Federation of Palestinian Chambers of Commerce, Industry and Agriculture.
    - Palestinian Federation of Industries.
    - Chamber of Commerce and Industry – Ramallah and Albireh District.
    - Ministry of National Economy.

3.7 Data Collection Instruments

The data utilized in this study of Palestinian industrial sector leadership styles was collected through the usage of the following instruments:

1. The Multifactor Leadership Questionnaire (MLQ) Rater Form (5X-Short) (Bass & Avolio, 1995).
2. Demographic survey through the use of a structured personal interview to determine the profile of the rated leaders.

3.7.1 The Questionnaire

The questionnaire utilized in this study (MLQ Rater Form 5X-Short) was administered to the first three highly placed administrators under the rank of the leader at each chosen enterprise in order to identify the employed leadership style by the leader of this enterprise and determine the outcomes of this style such as satisfaction, extra effort, and effectiveness. Each chosen administrator received a copy of the MLQ along with a cover letter entreating him or her to participate in the study and return the completed survey instrument. A copy of this instrument along with the cover letter and the MLQ scale form can be found in appendix (A) of this study.

The questionnaire, which has been updated and expanded from a 1985 instrument, is designed to test a full range of leadership styles and behaviors (Avolio & Bass, 1991). This full range includes leadership styles that are highly transformational at one end, to those that are highly avoidant at the other end. The questionnaire consists of 45 descriptive items which require a response on a 0-4 Likert rating scale. On this testing scale, zero represents "not at all; one indicates "once in a while", two is "sometimes", three means "fairly often, and four signifies "frequently if not always". The 45 items represent the testing of nine leadership variables, and include three additional outcome variables that quantify the ultimate performance of the leader (Bass & Avolio, 1995). The nine leadership variables represent a full range of leadership styles from transformational leadership through laissez-faire leadership. The five variables that represent the transformational leadership are:

1) Idealized Influence (Attributed).

2) Idealized Influence (Behavior).

3) Inspirational Motivation.

4) Intellectual Stimulation.

5) Individualized Consideration.

The variables that serve as indicators for the existence of transactional leadership are:

1) Contingent Reward.

2) Management-by-Exception (Active).

3) Management-by-Exception (Passive).

Finally, laissez-faire leadership style is tested as a single variable on the Multifactor Leadership Questionnaire. Each of these 9 variables has 4 items dedicated to it on the questionnaire. Three additional variables tested on this instrument are outcome measures. These represent the respondent's perceptions of the success of the leadership style exhibited by the enterprise leader. These three outcome measures included in the MLQ are 1) Extra Effort; 2) Effectiveness; and 3) Satisfaction with the leader. All three of these measures have been found to correlate most highly with transformational leadership, less so with transactional leadership, and the lowest correlation between these items was found with laissez-faire leadership style (Avolio & Bass, 1991; Bass & Avolio, 1995).

The following paragraphs describe briefly the nine tested variables and state the numbers of the items dedicated to it on the MLQ.

Idealized Influence (Attributed & Behavior) (IA & IB)

Leaders display conviction; emphasize trust; take stands on difficult issues; present their most important values; and emphasize the importance of purpose, commitment, and the ethical consequences of decision. Such leaders are admired as role models; they generate pride, loyalty, confidence, and alignment around a shared purpose.

The items dedicated to Attributed Idealized Influence on the MLQ are (10, 18, 21, and 25), and those dedicated to Behavioral Idealized Influence are (6, 14, 23, and 34).

Inspirational Motivation (IM)

Leaders articulate an appealing vision of the future, challenge followers with high standards, talk optimistically and with enthusiasm, and provide encouragement and meaning for what needs to be done.

The items dedicated to this variable on the MLQ are (9, 13, 26, and 36).

Intellectual Stimulation (IS)

Leaders question old assumptions, traditions, and beliefs; stimulate in others new perspectives and ways of doing things; and encourage the expression of ideas and reasons.

The items dedicated to this variable on the MLQ are (2, 8, 30, and 32).

Individualized Consideration (IC)

Leaders deal with others as individuals; consider their individual needs, abilities and aspirations; listen attentively; further their development; advise; and coach.

The items dedicated to this variable on the MLQ are (15, 19, 29, and 31).

Contingent Reward (CR)

Leaders engage in a constructive path-goal transaction of reward for performance. They clarify expectations, exchange promises and resources, arrange mutually satisfactory agreements, negotiate for resources, exchange assistance for effort, and provide recommendations for successful follower performance.

The items dedicated to this variable on the MLQ are (1, 11, 16, and 35).

Management-by-Exception

Active (MBEA): leaders monitor followers' performance and take corrective action if deviations from standards occur. They enforce rules to avoid mistakes. The items dedicated to this variable on the MLQ are (4, 22, 24, and 27).

Passive (MBEP): leaders fail to intervene until problems become serious. They wait to take action until mistakes are brought to their attention. The items dedicated to this variable on the MLQ are (3, 12, 17, and 20).

Laissez Faire Leadership (LF)

A non-leadership component: leaders avoid accepting their responsibilities, are absent when needed, fail to follow up requests for assistance, and resist expressing their views on important issues.

The items dedicated to this variable on the MLQ are (5, 7, 28, and 33).

Extra Effort

Getting others do more than they are expected to do, try harder and desire to succeed. The items dedicated to this variable on the MLQ are (39, 42, and 44).

Satisfaction

Working with others in a satisfactorily way. The items dedicated to this variable on the MLQ are (38 and 41).

Effectiveness

Meeting job-related needs and leading an effective group. The items dedicated to this variable on the MLQ are (37, 40, 43, and 45).

3.7.2 The Interview

The interview was intended to obtain demographic information concerning the leaders of the chosen companies, whose style of leadership was rated by the respondents of the questionnaire. The purpose of the demographic survey was to help answer the third question of the research questions presented in chapter one of this study, and to find out if there was any relationship between the demographic profile of the leader and the leadership style that he/she employs. The interview was a structured one that asked the leader to circle the suitable answer concerning his/her age, gender, type of relationship with the company, educational background, managerial experience, length of service in current position, length of service in current enterprise, and the legal status of the company. A copy of this interview questions is found in appendix (C) of this study.

3.7.3 Validity and Reliability

The earlier version of the Multifactor Leadership Questionnaire (MLQ, Form 5R) was used to measure transformational, transactional, and non-transactional/laissez-faire leadership. It has been criticized by several authors for inadequate discriminant validity among the factors comprising the survey, for including behavioral and impact items in the same survey scales, and because the factor structure initially proposed by Bass (1985) has sometimes failed to be replicated in subsequent empirical research (Smith & Peterson, 1988; Hunt, 1991; Yukl, 1999; Yukl, 2001). Bass and Avolio (1993), following their review of prior empirical studies completed on the MLQ, concluded that further refinements of the MLQ are in the offing, and these refinements do not negate the theoretical relevance nor the significance of the original model; rather, they represent an attempt to define more precisely the constructs associated with leadership styles and behaviors that constitute the "Full Range Model of Leadership". Thus, and in response to the above mentioned criticisms, the new 9-factor model (MLQ Rater Form 5X) was developed and validated. To further refine this new model of the MLQ, six scholars in the field of leadership received an earlier version of the MLQ, and were asked to make recommendations for modifying and/or eliminating items based on the conceptual model of the full range of leadership. They judged whether items referred to behavior or impact, guided by the "full range" of leadership behaviors and styles. These recommendations were included in the final development phase of the MLQ 5X Form (Bass & Avolio, 2003).

The nine factors that were used in this new model to determine the leadership styles were examined with positive results in terms of validity and reliability. The first phase of validity testing was based on over 2,000 subjects from nine separate samples ranging in size from 66 to 475 (Bass & Avolio, 1995). The second phase of validity testing was based on 3860 subjects from 14 separate samples ranging in size from 45 to 549 (Bass & Avolio, 2003). The result was that reliabilities for the total items and for each leadership factor scale ranged from 0.74 to 0.94, which means that they were generally and statistically significant, high, and reliable (Bass & Avolio, 2003). In support of the validity and reliability testing of the survey instrument, the version of the MLQ utilized in this study was previously used in nearly 200 research programs, doctoral dissertations and master's theses worldwide between 1991 and 1995 (Bass & Avolio, 1995). To ensure validity and reliability of the instrument, which was originally written in English language, the researcher translated it into the Arabic language since it will be distributed to respondents whose native language is Arabic, then he sent it by e-mail to Mind Garden Incorporation in Redwood City, California, which is the entity that reserve the copyright of publishing and using the MLQ questionnaire, and asked them the permission to utilize it in this study and to authorize the translation. They authorized the Arabic version and granted him the permission to use it.

3.8 Procedures of Data Collection

3.8.1 Introduction

As mentioned in the previous pages, the data utilized in this study was gathered through the usage of the Multifactor Leadership Questionnaire (MLQ) Form 5X-Short (Bass & Avolio, 1995), and a structured interview. The process of administering the questionnaire and collecting the data was accomplished through the following three stages to maximize the likelihood of achieving a high response rate:

1. **The First Stage**: During the initial stage, the questionnaire was personally (by the researcher, or by someone delegated by him) administered to the first three highly placed administrators under the rank of the leader at each chosen establishment. Each chosen administrator received a copy of the MLQ along with a cover letter entreating him or her to participate in the study and respond to the survey instrument within the next 10 days of receiving it. After 10 days the researcher collected the completed surveys with the assistance of some persons who volunteered to assist him in this process. Only 50% response rate was achieved during this stage.
2. **The Second Stage**: A follow-up reminder was made via the phone or the e-mail, whenever possible, to all those who did not respond to the initial mailing of the questionnaire. They were given another week to complete the survey instrument if they were still willing to participate in the study. By the end of the week, the completed surveys were collected, and another 20% response rate was achieved.
3. **The Third Stage**: A third follow-up reminder was made via the phone, e-mail, and/or through some persons who have close relations with those who did not respond to entreat them to participate in the study. A further 12% response rate

was achieved by the end of this stage which extended for another 10 days. Those who still did not respond were never contacted again for reasons to be shown hereafter. And thus, a total response rate of about 82% was achieved.

The structured interview was carried out by the researcher who interviewed all the leaders of the responding companies and got their answers to the specific pre-determined questions regarding their age, gender, type of their relationship to the company, the legal status of the company, their educational background, previous managerial experience, length of service at current position, and length of service at current company. Two methods of interviews were used to accomplish this process:

1. **Face-to-Face Interview**: Due to the current Israeli policies that separate the Palestinian cities from each other by roadblocks, closures and curfews, this method of interviewing took place only at the companies that were easy and possible to be reached by the researcher, which were the companies located at Ramallah, Jericho, and Jenin.
2. **Telephone Interviews**: The only available method to interview the leaders of the companies that were dispersed over various geographic regions, and were very difficult to reach due to the aforementioned Israeli policies was the telephone. Here, the researcher obtained the responses from the leaders immediately on contact since the questions were straightforward, easy, and need specific answers.

3.8.2 Respondents

The stages of data collection mentioned here above were intended to maximize the response rate in the survey, since a high response rate reduces the possible error due to non-response bias, and provides the ability to make accurate generalizations to the population (Dillman, 2000, Creswell, 2003). But surveys rarely achieve 100% response rate; hence, various efforts should be made by the researcher to maximize this rate (Jackson, 1967; Ray, 1983). However, those efforts should be handled with great precaution to guard against acquiescence contamination and prevent its presence from distorting the results. Among those precaution strategies, and which was followed by the researcher of this study, is to confine the survey to willing respondents since one cannot force people to tell their real thoughts, and any pressure applied to people to get them tell their attitudes may backfire in the form of dishonest or less than frank answers. A very obvious form of such rebellious responding is acquiescent response set in which people may simply decide to say "yes" to everything, and such meaningless acquiescence in the data will result in extensive bias and meaningless results (Jackson, 1967; Ray, 1983; Dillman, 2000). Thus, the researcher in his pursue to collect the data confined himself to respondents who were willing to participate in the study, and did not exert any pressure on non-respondents other than those reminders mentioned here above in the stages of data collection.

3.8.2-1 Reasons of Non-response

Many excuses were used by non-respondents to justify their unwillingness to participate in the study; the following, regardless of their rationality, were among the most disclosed reasons:

1. The greater demand on their time along with the multi obligations of their daily course of life did not spare them any time to respond to the questionnaire.

2. The absence of interest in the subject of the study since it will not add any tangible value for them such as wage raises or any other financial rewards.
3. The distrust and/or fear from their responses being used against them in front of their leaders.
4. Some personality factors such as lower levels of gregariousness, reading habits, cooperativeness, and conformity played some kind of role in the non-response process.
5. Personal reasons that were not disclosed.

3.8.2-2 Distribution of Responses

In terms of figures, the number of companies that refused to respond to both the questionnaire and interview was 10 companies out of 55 with 4 respondents at each company (the leader and the first three administrators under his rank), which means a total number of 40 non-respondents. The following table shows the distribution of those non-respondents with regards to their reasons of non-response:

Table (3.8.2-2a): Distribution of Non-Response

Reason	No. of Non-respondents	Percentage
1	8	20%
2	20	50%
3	4	10%
4	4	10%
5	4	10%
Total	40	100%

Source: own conclusions

As illustrated in the above table, the second reason, which is the absence of interest in the subject of the study since it will not add any tangible value for them, formed the greatest part (50%) of their justification for non-response.

In terms of the number of non-respondent companies as compared to respondent ones in both each stratum and the sample, the following table illustrates this comparison:

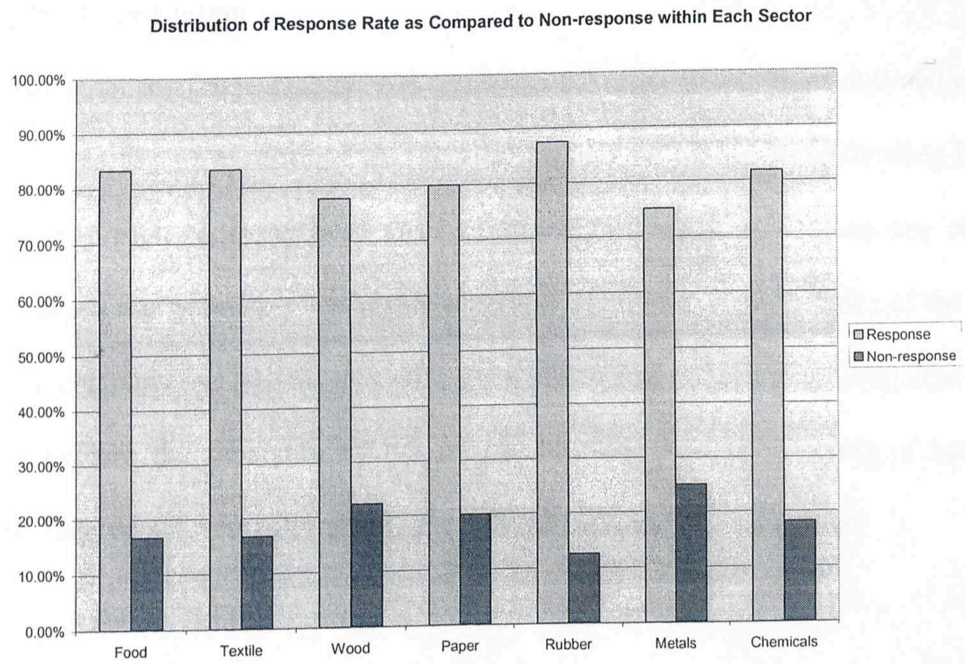
Table (3.8.2-2b): Distribution of Responses

Stratum	No. of Subjects	No. of Respondents	No. of Non-respondents	% of Respondents in the Stratum	% of Non-respondents in the Stratum	% of Respondents in the Sample	% of Non-respondents in the Sample
Food	12	10	2	83.3%	16.7%	18.2%	3.64%
Textile	6	5	1	83.3%	16.7%	9.1%	1.82%
Wood	9	7	2	77.7%	22.3%	12.7%	3.64%
Paper	5	4	1	80%	20%	7.3%	1.82%
Rubber	8	7	1	87.5%	12.5%	12.7%	1.82%
Metals	4	3	1	75%	25%	5.4%	1.82%
Chemicals	11	9	2	81.8%	18.2%	16.4%	3.64%
Total	55	45	10	81.80%	18.20%	81.80%	18.20%

Source: own conclusions

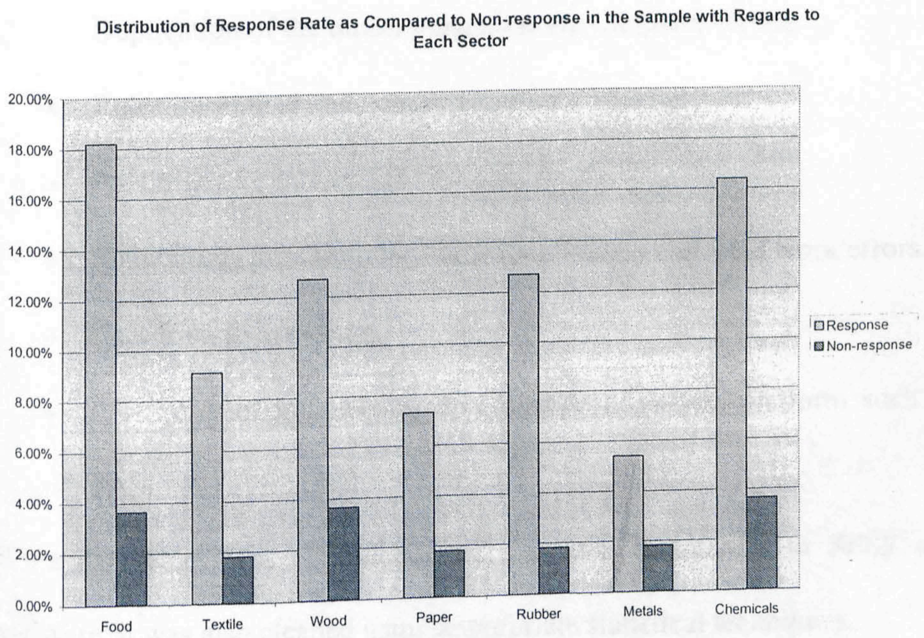
The following histogram shows the percentage of respondents as compared to the percentage of non-respondents within each industrial sector:

Histogram (3.8.2-2a): Response Rate vs. Non-Response within each sector



The following histogram shows the percentage of respondents as compared to the percentage of non-respondents in the sample with regards to each sector:

Histogram (3.8.2-2b): Response vs. Non-Response in the Sample



3.9 Procedures of Data Analysis

3.9.1 Introduction

The purpose of data analysis was to answer the research questions outlined in Chapter One, Section (1.4) of this study. In short, to find out what is the prevailing leadership style in each company from the 45 responding companies; is there any correlation between this prevailing leadership style and any of the characteristics of the leader of that company (such as his age, educational background, previous knowledge etc.); and to explore the outcomes of the utilized leadership style in terms of satisfaction, willingness to exert extra effort, and effectiveness among employees.

3.9.2 Data Management

Editing: All the received questionnaires were checked to make sure that they were properly answered, and there are no missing data.

Data Entry: The data entry program was designed using Access 2000. It was equipped with a number of characteristics such as:

- Duplication of the questionnaire on the computer screen.
- Rules for logical and consistency check of data.
- Possibility for internal editing of answers.
- Maintaining a minimum of digital data entry and field work errors.
- User friendly handling.
- Possibility of transferring data to a data analysis platform such as SPSS or SAS.

After data entry was completed, the data was transferred to SPSS using STAT software; it was also cleaned using appropriate statistical techniques.

3.9.3 Data Analysis

The data set was a ranked data with an ordinal scale and represented a sample from which inferences and generalizations will be made concerning the entire population; hence, the descriptive-analytical method was employed so that meaningful information can be extracted from it. This implied the use of numerical descriptive measures which provide precise and objectively determined values that can easily be manipulated, interpreted, and compared with one another, and thus, permit a more careful analysis of the data (Black, 1999; Keller & Warrack, 2000; Sekaran, 2000).

The data was organized utilizing the computer software program (SPSS for Windows, Version 12.0), which served both as a spreadsheet for data entry and manipulation, as well as statistical analysis. Each of the 45 items included in the MLQ were entered as a numeric variable. Item numbers were also entered in the program to create an independent score for each of the nine separate leadership variables representing the three different leadership styles tested by the MLQ. Each outcome variable was also entered into a data set in SPSS to facilitate data analysis. The collection of data resulted in data sets which are ordinal in character. Leaders who were rated as displaying level 2 or higher on 3 or more transformational leadership variables were found to be transformational leaders. Those leaders who did not meet the criteria for transformational leaders as described above, and who were rated 2 or above on the contingent reward variable with supporting ratings (2 or above) on management by exception, both active and passive, were found to exhibit primarily transactional leadership qualities. Those leaders who were rated at the lower end of the scale for transformational variables, and the contingent reward variable, but received high ratings on management by exception as well as the laissez-faire variable were judged to engage in laissez-faire leadership. A second method of data analysis determined leadership style by obtaining an average of all the five transformational leadership variables, the three transactional leadership variables, and the laissez-faire items. The highest score obtained among the three styles was considered to denote the dominant leadership style (Bass & Avolio, 1997). These findings were also examined in relation to the three outcome measures: 1) Extra Effort; 2) Effectiveness; and 3) Satisfaction, in order to determine the satisfaction of the raters regarding the leadership style exhibited.

3.9.4 Steps of Data Analysis and Testing of Research Questions

The data for the study was collected and analyzed in response to the research questions outlined in Chapter One, Section (1.4) of this thesis:

1. What is the profile of the Palestinian industrial sector leaders as to age, gender, type of relationship with the company, educational background, managerial experience, length of service in current position, length of service in current enterprise, and the legal status of the company?
2. Which leadership styles are utilized by Palestinian industrial sector leaders?
3. Are these styles determined by the leaders' profiles, characteristics, traits, and behaviors, or by some other factors such as followers' characteristics or situational factors? In other words, is there any relationship between the demographic profile of the rated leaders and the style of leadership they employ? This question can be answered by assuming the following null hypothesis:

   - There is no statistically significant relationship between the utilized leadership style and the profile of the leader in terms of his/her traits and behaviors, the characteristics of the subordinates, or the situational factors.

4. What is the prevailing style of leadership in Palestinian industrial sector, and how does it contribute to the success or failure of these institutions? This question can be answered by assuming the following null hypotheses:

- The majority of Palestinian industrial leaders are not transactional in their behavior and prevailing leadership style.
- There is no statistically significant relationship between the utilized leadership style and the outcomes of that style in terms of extra effort, effectiveness, and satisfaction among employees.

Therefore, the process of data analysis and testing of research questions went through the following steps:

1. The first step: This step was intended to answer the first question. Thus, the investigation of data started with demographic analysis, where descriptions and frequencies were made in respect of the characteristics of the rated Palestinian industrial leaders as to their age, gender, type of relationship to the company, educational background, managerial experience, length of service in current position, length of service at current company, and the legal status of the company. Data then was collated and classified for presentation. This data set was obtained through the structured interview.

2. The second step: During this stage, a frequency distribution was generated regarding the individual answers for each question in the MLQ. Here the collected questionnaires, which were 135 in total (45 responding companies with each company having 3 questionnaires dedicated to it), were treated individually, and thus, there was 135 answers for each question. The purpose of this step was to have an over all look at each question in the MLQ and how it was handled by each respondent, and if there was any missing answers. Though there is no meaning for any individual question in the MLQ in isolation of the other related questions, this step was conducted because it might be useful for further research on this topic to have a general look at the response distribution of these individual questions.

3. The third step: During this stage answer scores for each question were obtained regarding each company. The sample contained 55 companies, of which 45 responded and returned the complete questionnaires. Each company received three questionnaires to be answered by the top three administrators under the rank of the leader. Thus, each question in the MLQ was answered by three different respondents to rate the same leader, and this will add more significance and reliability to the process of rating. Since each question had three answers, summing up the items of these answers and dividing by three derived the answer score for each question. Whenever there was a missing item among the three answers for the same question, the missing was replaced by the average of the other two answers (Sekaran, 2000). By the end of this stage, the data was collated into 45 questionnaires rating 45 leaders of the responding companies, and each question in the questionnaire had only one score answer.

4. The fourth step: During this stage, scores were obtained from the data collected for each of the nine components tested on the MLQ. Since each of the nine variables had four items dedicated to them on the questionnaire, summing up the items and dividing by four derived the score for each variable. Then summing up the scores of the five transformational variables and dividing by five derived the average score of the transformational leadership style. The same procedure was followed to find out the average score for the transactional leadership style, the laissez-faire style, and the outcomes in terms of extra effort, effectiveness and satisfaction.

5. The fifth step: During this stage, the data was categorized to show the transformational score, the transactional score, the laissez-faire score, and the outcomes score regarding each company, so as to derive the dominant or prevailing leadership style of that company. The highest score of the three was considered to be the prevailing leadership style, and this was shown along with the outcomes score for that company (Bass & Avolio, 1997).

6. The sixth step: A frequency report was generated regarding the three leadership styles and their distribution within the 45 responding companies, and displayed the frequency, cumulative frequency, and percentile for each leadership style. The analysis steps number 3, 4, 5, and 6 were intended to answer the second research question.

7. The seventh step: this step was intended to test the first null hypothesis of the fourth research question which assumes that the majority of the Palestinian industrial leaders are not transactional in their behavior and leadership style. This test was about the population proportion (p); thus, the test statistic (Z) was computed depending on the value of the sample proportion ($\bar{p}$) and its standard deviation ($\sigma_{\bar{p}}$). By comparing this (Z) value to the critical value with ($\alpha = 0.05$), a decision was made regarding whether or not to reject the null hypothesis.

8. The eighth step: This step was intended to test the second null hypothesis of the fourth research question which assumes that there is no statistically significant relationship between the utilized leadership style and the outcomes of that style in terms of extra effort, effectiveness, and satisfaction among employees. Here, a multi regression and ANOVA analyses were conducted to determine the relationship between the utilized leadership styles and the outcomes of these styles in terms of extra effort, effectiveness, and satisfaction. Here the outcomes score was considered to be the dependent variable ($\hat{y}$), and the three leadership styles were considered as independent variables. The model used to estimate this relationship was the following:

$\hat{\mathbf{Y}} = \mathbf{a} + \mathbf{b_1 x_1} + \mathbf{b_2 x_2} + \mathbf{b_3 x_3}$.

Where: $\hat{Y}$ is the estimated outcome variable; (a) is the constant –y intercept; b_1 is the slope associated with the transformational style (x_1); b_2 is the slope associated with the transactional style (x_2); and b_3 is the slope associated with the laissez-faire style (x_3).

9. The ninth step: This step was intended to test the null hypothesis of the third research question which assumes that there is no statistically significant relationship between the utilized leadership style and the profile of the leader in terms of his traits and behaviors, the characteristics of the subordinates, or the situational factors. Here, a cross tabulation analysis was conducted to determine the relationship between the variables of the demographic profile of the leaders and the three leadership styles, and to find out whether the characteristics, traits, or behaviors of the leader do affect the style he utilizes or not.

3.10 Limitations of the Study

One possible limitation in any study utilizing a survey instrument to gather data is the validity and reliability of the instrument. The multifactor leadership questionnaire (MLQ) utilized in this study has been tested and used in leadership research in a variety of settings, ~~and has been~~ found to be both reliable and valid (Bass & Avolio, 1995). This issue has been discussed in detail in the previous pages of this chapter.

One further instrument that was crucial in the design and implementation of this study was the structured interview and the questionnaire utilized to determine the demographic profile of the leaders. One general limitation inherent to this type of instruments is the respondents' bias that stems from the errors or inaccuracies in the data provided by the respondent (Sekaran, 2000; Creswell, 2003). The type of data gathered by this instrument for this study was demographic in nature; thus, the bias was noticed in the respondent's tendency to overestimate or give erroneous data concerning their educational background and previous managerial experience. Whenever this occurred or was noticed, the researcher tried to investigate the truthfulness of these responses from other knowing resources whenever possible. As for the limitation of not achieving 100% response rate, many different methods and various attempts were utilized to gather a high percentage of returns in this study. A complete return rate was desired to achieve an equal distribution of responses among the 55 establishments, but since this did not occur due to the reasons discussed in section (3.8.2-1), the researcher confined the study to the data gathered from the willing respondents, and these responses were evenly distributed throughout the institutions targeted. While an incomplete response rate is always a limitation in a survey such as the current one, the even distribution of the responses returned, as well as the 82% response rate render the data gathered both interesting and significant.

Another limitation fundamental to this study is the perceptual bias of the respondents, such as the fundamental attribution error, in which the respondent attributes others' actions to internal causes while ignoring the external factors; the selective perception, in which the respondent focuses on some aspects and ignores others; and the stereotype perception, in which the respondent categorizes people into specific groups and believes that each group is prone to behave in the same way (Greenberg and Baron, 2000). Perception is, by nature, an individualistic and subjective method of judgment; it is not a factual or quantifiable response. Thus, it is necessary to remember that the original information that generated the data was qualified by individual perception and bias, though the statistical analysis of the responses yielded quantifiable data. Nevertheless, the fact that the gathered information was perceptional does not invalidate the findings, but the information should be interpreted with caution.

Other limitations that were inherent to this study are the following:

1. The concentration on the large scale Palestinian industries that have 20 employees or more, and the exclusion of the small and medium scale industries for reasons mentioned and discussed in section (1.4) of this study.
2. The exclusion of Gaza Strip from the survey due to the difficulty and impossibility of reaching it because of the restrictions and closures imposed by the Israeli Forces.
3. The unavailability of a complete and official list of Palestinian industrial companies, which means that the population frame used in this study did not contain all the Palestinian industrial companies. Thus, there might have

been some companies that were missed and not given the chance to be included in the sample.

4. The probability of having some wrong answers due to respondents' unwillingness to tell the truth because some, if not many, of them are already pre-haunted with general dissatisfaction from the company because of some general or personal reasons, such as the low wage, work environment etc.
5. The absence of female leaders from the sample which made the study seems as solely designated for male leaders. The whole findings of the study might have been totally different had the female element been present in the sample due to the behavioral and psychological differences between the two genders. Females by nature tend to be more gentle, moderate, emotional, lenient, sympathetic, and employee-centered in their behavior than males. Such attributes are much more correlated with transformational leadership style than with transactional or laissez-faire styles. Furthermore, had the female element been present in the study, it might had been possible to compare between the leadership styles utilized by female leaders and those utilized by male leaders.

These limitations discussed above represent inherent characteristics of this study which utilized the MLQ to gather data. Nevertheless, they do not render the gathered data inaccurate or uninteresting. Mainly, the limitations determine the need for further research designed to broaden the applicability of the study findings.

Chapter Four

Findings and Results of the Study

The analysis of the data gathered through the administration of the Multifactor Leadership Questionnaire and the structured interview was carried out in terms of the posed research questions outlined in chapter one of this study. Thus, the findings and results of this analysis pivoted around the following central issues:

- the demographic profile of the leaders and responding companies,
- the utilized leadership styles and their distribution,
- the outcomes of the utilized leadership styles, and
- the existent correlations and relationships between the utilized leadership styles and the demographic profile on one hand, and the outcomes on the other hand.

4.1 The Demographic Profile of the Leaders and the Companies

The analysis of the data gathered through the structured interview with the leaders of the responding companies revealed the following results in terms of the leaders' age, gender, relationship to the company, legal status of the company, educational background, previous managerial experience, length of service at current position, and length of service at current company. The following tables show these results:

Tables 4.1

Demographic Profile of the Leaders

q1 Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	31 - 40	5	11.1	11.1	11.1
	41 - 50	18	40.0	40.0	51.1
	> 50	22	48.9	48.9	100.0
	Total	45	100.0	100.0	

q2 Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	45	100.0	100.0	100.0

q3 Your type of relationship to the company is

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Owner	20	44.4	44.4	44.4
	Share holder	19	42.2	42.2	86.7
	Employee	6	13.3	13.3	100.0
	Total	45	100.0	100.0	

q4 The legal status of the company is

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Sole proprietorship	15	33.3	33.3	33.3
	Partnership	3	6.7	6.7	40.0
	Private corporation	17	37.8	37.8	77.8
	Public Corporation	9	20.0	20.0	97.8
	cooperative	1	2.2	2.2	100.0
	Total	45	100.0	100.0	

q5 Educationl Background

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Tawjihi or less	15	33.3	33.3	33.3
	Two years Collage degree	6	13.3	13.3	46.7
	Four years university degree	24	53.3	53.3	100.0
	Total	45	100.0	100.0	

q6 your previuos managerial experience is between

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No previous managerial experience	32	71.1	71.1	71.1
	1 - 5	10	22.2	22.2	93.3
	6 - 10	3	6.7	6.7	100.0
	Total	45	100.0	100.0	

q7 Your length of service at current position is between

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 - 5	6	13.3	13.3	13.3
	6 - 10	12	26.7	26.7	40.0
	16 - 20	13	28.9	28.9	68.9
	> 20	9	20.0	20.0	88.9
	5	5	11.1	11.1	100.0
	Total	45	100.0	100.0	

q8 Your length of service at current enterprize is between

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 - 5	6	13.3	13.3	13.3
	6 - 10	10	22.2	22.2	35.6
	11 - 15	15	33.3	33.3	68.9
	16 - 20	9	20.0	20.0	88.9
	> 20	5	11.1	11.1	100.0
	Total	45	100.0	100.0	

The previous tables show the following characteristics of the responding companies and their leaders:

1. As to the age of the leaders, none of them was under the age of 30 years, 11.1% were between the ages 31-40, 40% were between the ages 41-50, and 48.9 were above the age of 50 years. This means that the majority of the responding leaders were above the age of 50 years.
2. In terms of gender, all the responding leaders were males. This demonstrates the fact that Palestinian women did not yet burst into the business and industrial world in Palestine as leaders or chief executive officers; it also reflects the mentality and corporate culture in Palestine and the Arab world which consider it as censured and abnormal behavior to have or nominate a female leader in their institutions.
3. In terms of the leaders' relationship with the companies they work for, 44.4% of them were sole owners of the company, 42.2% were share holders and

members of the owner family, and only 13.3% were employees. This means that 86.7% of the responding companies were family businesses.

4. As for the legal status of the responding companies, 33.3% were sole proprietorship, 6.7% were partnerships, 37.8% were private corporations, 20% were public corporations, and 2.2% were cooperative institutions.
5. As for the educational background of the leaders, one third of them (33.3%) had Tawjihi or less, 13.3% had two-year college degree, and 53.3% had obtained a four-year university degree.
6. As for the leaders' previous managerial experience, more than two thirds of them (71.1%) were without any managerial experience, 22.2% had 1-5 years of experience, and only 6.7% had between 6-10 years of experience.
7. In terms of the leaders' length of service as a leader at the current company which he is working for, 13.3% of them had 1-5 years of service, 26.7% had 6-10 years of service, 28.9% had 11-15 years, 20% had 16-20 years, and 11.1% had above 20 years of service.
8. In terms of the leaders' length of service at the current company which he is working for, 13.3% of them had 1-5 years of service at the current company, 22.2% had 6-10 years of service, one third of them (33.3%) had 11-15 years, 20% had 16-20 years, and 11.1% had above 20 years of service. A comparison between these percentages and the preceding ones in item (7) implies that some leaders were initially working as employees at the same company then were promoted in rank to become leaders.

4.2 The Distribution of the Utilized Leadership Styles

After the analysis of the data gathered through the Multifactor Leadership Questionnaire, which included the derivation of the scores for each leadership style, the following table was produced. This table included the numbers attached to the responding companies, the obtained scores for each leadership style as defined by the Full Range Model of Leadership, the obtained scores for the outcomes variable in terms of extra effort, effectiveness, and satisfaction, and the dominant or prevailing utilized leadership style for each company.

Table 4.2.1 – Leadership Styles' Scores

Company	Transformational	Transactional	Laissez-Faire	Outcomes	Dominant Style
1	2.58	1.73	1.00	1.98	***Transformational***
2	1.70	1.98	3.05	1.48	**Laissez-Faire**
3	1.14	2.56	2.50	0.66	Transactional
4	1.71	2.32	1.60	1.50	Transactional.
5	1.10	2.14	1.50	0.80	Transactional.
6	3.34	2.63	0.83	2.99	***Transformational***.
7	1.61	2.31	2.15	1.16	Transactional.
8	1.27	2.16	1.48	0.84	Transactional.
9	1.22	2.10	1.85	1.06	Transactional.
10	1.29	2.48	2.90	0.56	**Laissez-Faire**
11	1.13	1.60	0.85	0.94	Transactional.
12	2.62	2.30	0.50	2.86	***Transformational***.
13	2.41	1.64	0.08	2.83	***Transformational***.
14	1.10	1.95	1.00	0.77	Transactional.
15	1.12	1.80	0.33	1.07	Transactional.
16	1.93	2.19	2.40	1.84	**Laissez-Faire**
17	2.46	2.00	1.65	1.87	***Transformational***.
18	1.18	2.12	1.40	0.62	Transactional.
19	1.48	2.01	1.10	1.09	Transactional.
20	1.09	1.73	1.18	0.78	Transactional.
21	1.26	2.13	1.18	1.02	Transactional.
22	1.28	2.28	1.33	0.89	Transactional.
23	1.27	2.12	1.18	1.00	Transactional.
24	1.60	1.89	1.58	1.14	Transactional.
25	3.47	2.51	0.68	3.52	***Transformational***.
26	1.01	1.64	0.75	0.83	Transactional.
27	2.50	1.82	1.33	2.13	***Transformational***.
28	1.66	2.17	0.90	1.34	Transactional.
29	2.01	1.83	1.18	2.19	***Transformational***.
30	1.46	2.16	1.18	1.29	Transactional.
31	1.32	2.00	1.03	0.99	Transactional.
32	1.31	1.98	1.18	1.04	Transactional.

33	1.22	1.68	1.68	0.63	Transactional.
34	2.19	2.09	1.10	2.12	***Transformational.***
35	1.66	2.13	1.50	1.56	Transactional.
36	2.33	2.28	0.68	2.54	***Transformational.***
37	1.88	2.38	1.50	1.57	Transactional.
38	1.02	2.21	1.50	0.87	Transactional.
39	3.01	2.28	0.78	3.28	***Transformational.***
40	2.83	2.39	0.78	3.23	***Transformational.***
41	1.32	1.33	2.35	0.88	**Laissez-Faire**
42	1.36	2.06	0.73	1.03	Transactional.
43	1.41	1.91	2.35	0.88	**Laissez-Faire**
44	1.22	2.06	1.33	0.91	Transactional.
45	3.32	2.04	1.08	3.32	***Transformational.***

Source: own conclusions

The above table can be distributed as follows:

Table 4.2.2 – Leadership Styles Distribution

Leadership Style	Frequency	Percent	Cumulative Percent
Transformational	13	28.9%	28.9%
Transactional	27	60%	88.9%
Laissez-Faire	5	11.1%	100%
Total	45	100%	

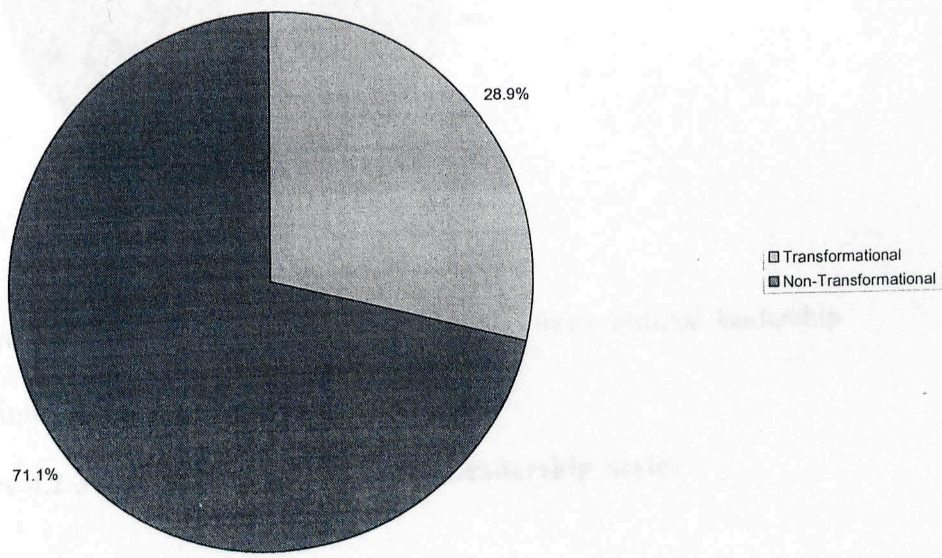
Source: own conclusions

The above table displays the following facts:

1. 28.9% of the leaders adopt and utilize the transformational style as their dominant style of leadership.
2. 60% of the leaders utilize the transactional style as their dominant style of leadership.
3. Only 11.1% of the leaders utilize the laissez-faire style as their dominant style of leadership.

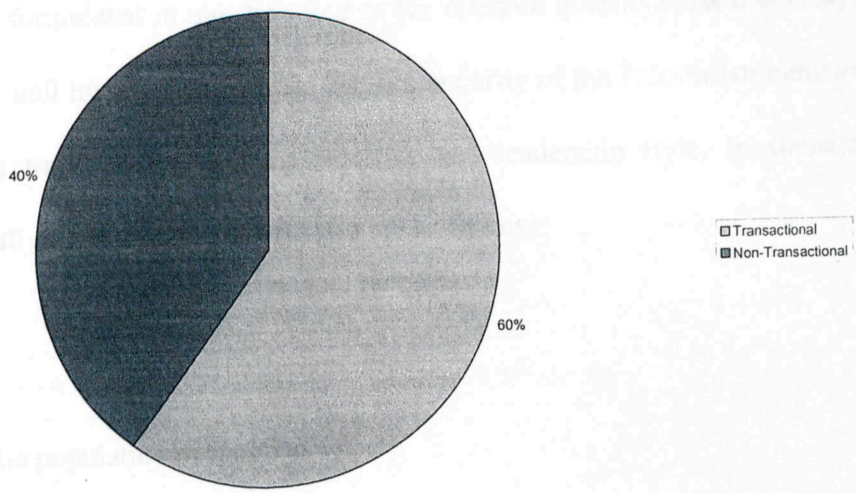
The following pie chart demonstrates the relationship between the percentage of transformational leaders and other styles of leadership among the rated Palestinian industrial leaders:

Figure 4.2.1 – Transformational Leadership among Palestinian Industrial Leaders



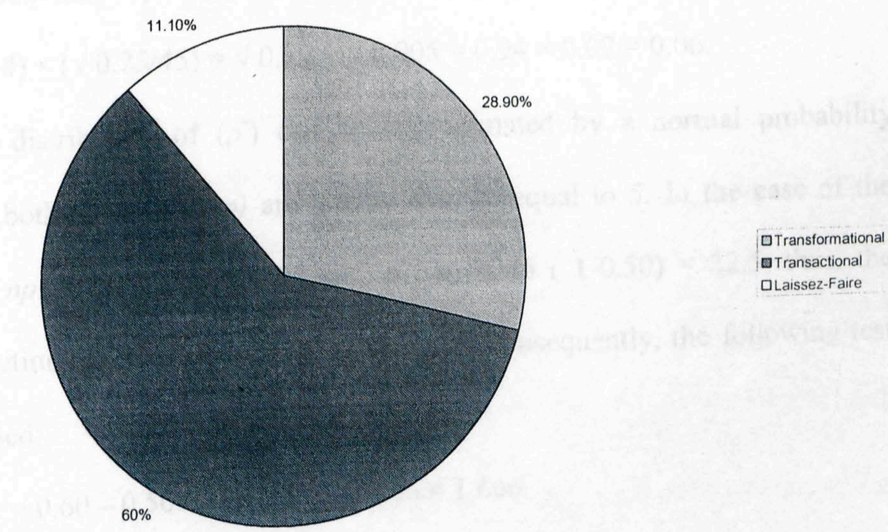
The following second pie chart demonstrates the relationship between the percentage of transactional leaders and other styles of leadership among the rated Palestinian industrial leaders:

Figure 4.2.2 – Transactional Leadership among Palestinian Industrial Leaders



The following third pie chart shows the percentage of the three utilized leadership styles in the Palestinian industrial companies:

Figure 4.2.3 – Percentage of the Three Leadership Styles



4.3 The Prevailing Leadership Style in the Palestinian Industrial Sector

To find out the prevailing leadership style in the Palestinian industrial sector, a null hypothesis was formulated in question four of the research questions, section (1.4) of this study. This null hypothesis assumes that the majority of the Palestinian industrial leaders are not transactional in their behavior and leadership style. In statistical language the null and alternative hypotheses are as follows:

$H_0: p \leq 0.50$

$H_a: p > 0.50$

Where: (p) is the population proportion.

The hypothesis testing was started by tentatively assuming that (H_0) is true with p = 0.50. Since (p^{-}) is an unbiased estimator of (p), then if ($p = 0.50$), the mean of the sampling distribution of (p^{-}) is 0.50. In addition, the standard deviation of (p^{-}) is given by:

$\sigma_{p-} = (\sqrt{N-n} \ / \ N-1) \times \ (\sqrt{\ p(1-p)} \ / \ n)$; where n = the sample size = 45, N = the population size = 415, and p = the assumed population proportion = 0.50

$\sigma_{p-} = (\sqrt{\ 415 - 45} \ / \ 415 - 1) \times (\sqrt{\ 0.50\ (1 - 0.50)} \ / \ 45)$

$= (\sqrt{370/414}) \times (\sqrt{\ 0.25/45}) = \sqrt{\ 0.89} \times \sqrt{\ 0.005} = 0.94 \times 0.07 = 0.06.$

The sampling distribution of (p^{-}) can be approximated by a normal probability distribution if both np and $n(1-p)$ are greater than or equal to 5. In the case of the current study, $np = 45 \times 0.50 = 22.5$, and $n(1-p) = 45\ (\ 1\text{-}0.50) = 22.5$; thus, the normal distribution approximation was appropriate. Consequently, the following test statistic was used:

$Z = p^{-} - p_0 \ / \ \sigma_{p-} = 0.60 - 0.50 \ / \ 0.06 = 0.10 \ / \ 0.06 = 1.666.$

The level of significance selected for the test was that $\alpha = 0.05$. By referring to the normal distribution table the value corresponding to ($Z_{0.05}$) was found to be (1.645).

The upper-tail rejection region for the population proportion hypothesis test provides the following rejection rule:

Reject H_0 if $Z > 1.645$.

Since the computed test statistic (Z) was 1.666, which is greater than 1.645, then the null hypothesis was rejected, and it was concluded that the majority of Palestinian industrial leaders were transactional in their behavior and leadership style; consequently, the prevailing leadership style in Palestinian industrial sector was the transactional leadership style.

4.4 Outcomes and Leadership Styles

Generally speaking, the outcome of the utilized leadership style measured in terms of extra effort, effectiveness, and satisfaction, was very low, expressing a high degree of dissatisfaction among employees. 76% of the rated leaders gained an outcome score less than (2), while only 24% of them gained a score greater than (2). The following table displays this fact.

Table 4.4.1 – Outcome Frequency Table

Outcome Score	Frequency	Percentage
Less than (1)	16	36%
Between (1 – 2)	18	40%
Greater than (2)	11	24%

In terms of distribution, the following table shows the various outcome scores attached to the utilized leadership styles.

Table 4.4.2a – Outcomes Distribution

Outcomes with Transformational Style	Outcomes with Transactional Style	Outcomes with Laissez-Faire Style
1.98	0.66	1.48
2.99	1.50	0.56
2.86	0.80	1.84
2.83	1.16	0.88
1.87	0.84	0.88
3.52	1.06	
2.13	0.94	
2.19	0.77	
2.12	1.07	
2.54	0.62	
3.28	1.09	
3.23	0.78	
3.32	1.02	
	0.89	
	1.00	
	1.14	
	0.83	
	1.34	
	1.29	
	0.99	
	1.04	
	0.63	
	1.56	
	1.57	
	0.87	
	1.03	
	0.91	
Mean = 2.68	**Mean = 1.01**	**Mean = 1.12**

The previous table can be summarized as follows:

Leadership Style	Highest Outcome	Lowest Outcome	Mean
Transformational	3.52	1.87	2.68
Transactional	1.57	0.62	1.01
Laissez-Faire	1.84	0.56	1.12

The above tables demonstrate that the highest outcome scores were associated with the transformational leadership style (average outcome = 2.68), while the lowest outcome scores were associated with the transactional leadership style (average outcome = 1.01). In fact, the strongest statistical relationship discovered in this study was the correlation between transformational leadership style and the outcome variable. The outcome variable is composed of three different variables, each of which has four questions assigned to it in the Multifactor Leadership Questionnaire. These three variables are: extra effort, effectiveness, and satisfaction with leader. In past studies utilizing the MLQ, all of these three measures have been found to correlate most highly with transformational leadership, less so with transactional leadership, and the lowest correlation between these items was found with laissez-faire leadership style (Bass & Avolio, 1997). This same relationship was found in this study. A strong positive relationship was found between the outcome variable and transformational style with Pearson Correlation coefficient of (0.961), a positive relationship between the outcome variable and transactional style with Pearson Correlation coefficient of (0.278), and a negative relationship between the outcome variable and laissez-faire style with Pearson Correlation coefficient of (- 0.440) (table 4.3.2b). These findings correspond with previous studies utilizing the MLQ that transformational leadership style leads to higher rates of satisfaction among employees, less rates of satisfaction are associated with transactional style, and the indication of laissez-faire characteristics leads to dissatisfaction with the leader.

In summary, the findings of this study indicate that transformational leadership was found to be the most effective, show the strongest indication of extra effort and effectiveness, and induce the greatest satisfaction among employees. The following table displays the above mentioned correlations:

Table 4.4.2b – Correlations between the outcome variable and leadership styles

Correlations

		outcomes	transfo.	transac.	lf_score
Pearson Correlation	outcomes	1.000	.961	.278	-.440
	transfo.	.961	1.000	.308	-.329
	transac.	.278	.308	1.000	.123
	lf_score	-.440	-.329	.123	1.000
Sig. (1-tailed)	outcomes	.	.000	.032	.001
	transfo.	.000	.	.020	.014
	transac.	.032	.020	.	.211
	lf_score	.001	.014	.211	.
N	outcomes	45	45	45	45
	transfo.	45	45	45	45
	transac.	45	45	45	45
	lf_score	45	45	45	45

The following scatter diagrams show the above mentioned relationships between the three leadership styles and the outcome variable.

Figure 4.4.1 Relates the Transformational leadership scores to the composite outcome variable.

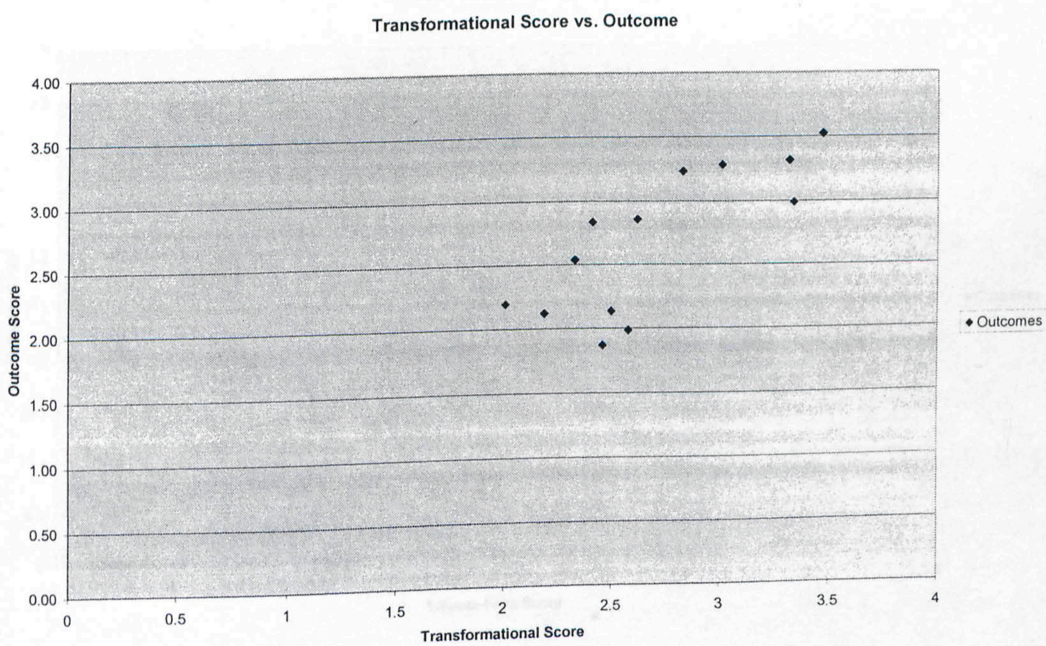


Figure 4.4.2 Relates the transactional leadership scores to the outcome variable

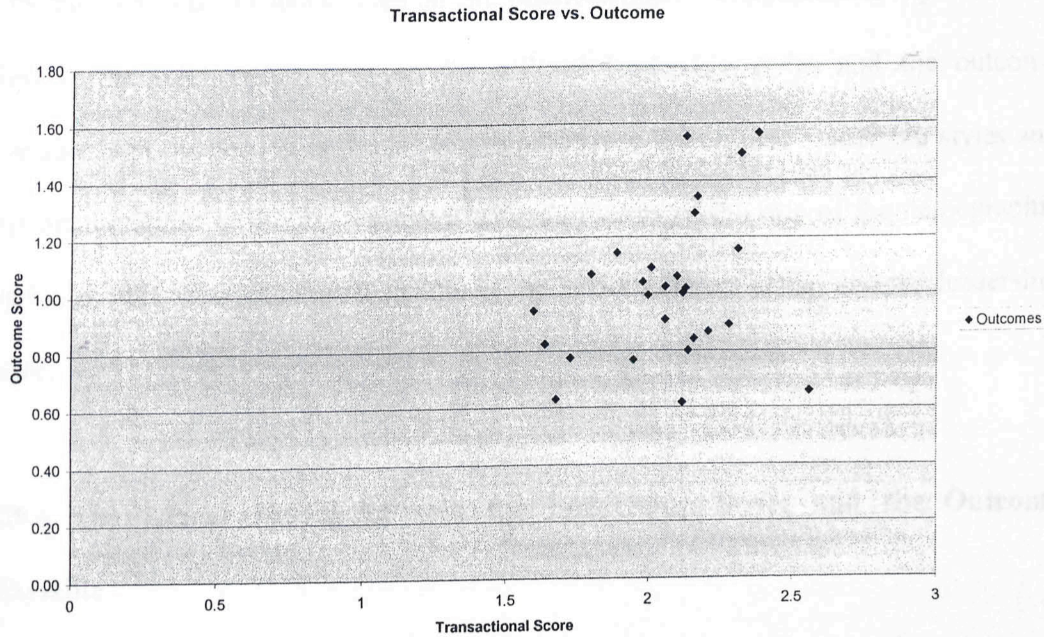
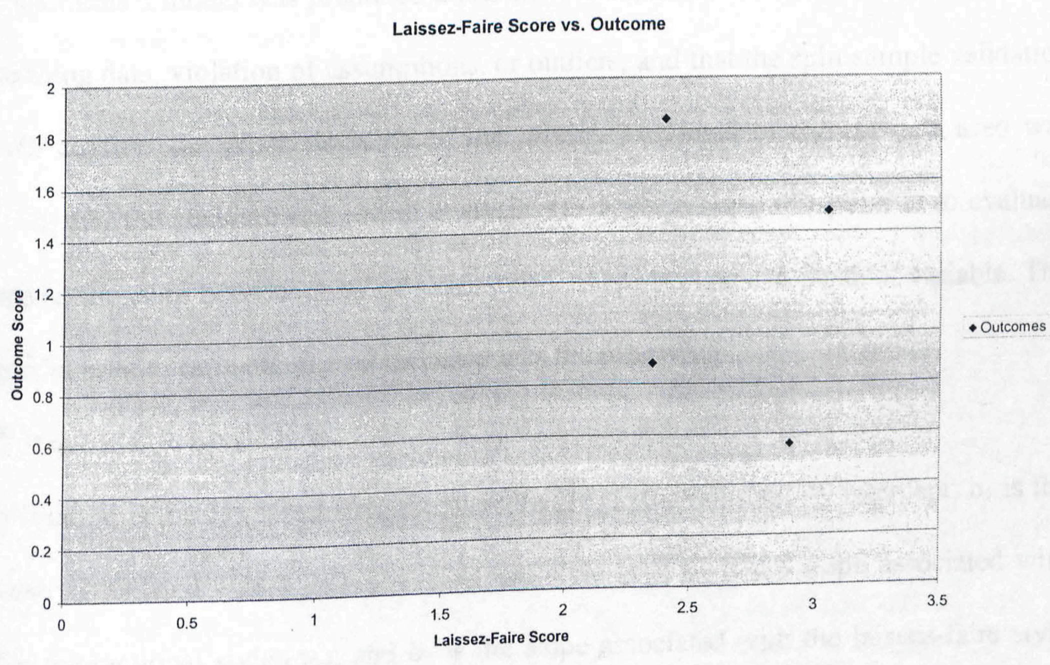


Figure 4.4.3 Relates the laissez-faire leadership scores to the outcome variable



4.5 Existent Relationships

The analysis of data concentrated on two relationships to be studied and explored. The first is the relationship between the utilized leadership styles and the outcome variable, and the second is the relationship between the utilized leadership styles and the demographic profile of the rated leaders in terms of the role of the demographic variables and other situational factors in the leader's choice of the utilized leadership style.

4.5.1 The Linear Model between the Leadership Styles and the Outcome Variable

To answer question number four of the research questions outlined in chapter one of this thesis, a null hypothesis was assumed that there is no statistically significant relationship between the utilized leadership style and the outcomes of that style in terms of extra effort, effectiveness, and satisfaction among employees. To test this hypothesis a model was predicted under the assumption that there is no problem with missing data, violation of assumptions, or outliers, and that the split sample validation will confirm the generalizability of the results. The level of significance used was 0.05, and the standard regression analysis was applied since our point is to evaluate the relationship between a set of independent variables and a dependent variable. The model used to estimate this relationship was the following:

$$\hat{Y} = a + b_1x_1 + b_2x_2 + b_3x_3.$$

Where: $\hat{Y}$ is the estimated outcome variable; (a) is the constant –y intercept; b_1 is the slope associated with the transformational style (x_1); b_2 is the slope associated with the transactional style (x_2); and b_3 is the slope associated with the laissez-faire style (x_3).

4.5.1-1 Summary of the Variables in the Model

The constructed linear model relates the dependent variable "leadership style outcome" with the three independent variables: transformational leadership style, transactional leadership style, and the laissez-faire leadership style. Table (4.5.1a) below, describes the four variables included in the model. It can be noticed that the mean of the outcome variable is about (1.51) with standard deviation of (0.85), and median of (1.09), which means that the rate of satisfaction among employees is generally very low, and this indicates a high degree of dissatisfaction that leads consequently to low rates of productivity and effectiveness.

Table 4.5.1a: Descriptive statistics for variables in the model

	Mean	Std. Deviation	Median
Outcomes	1.5088	.85336	1.09
Transformational	1.7396	.69428	1.46
Transactional	2.0680	.27380	2.10
Laissez-Faire	1.3450	.66347	1.18

4.5.1-2 Model Estimation

The linear regression analysis was used to test the hypothesis and estimate the relationship between the dependent variable and the set of independent variables. The least squared method showed that the model can be estimated through the following equation:

Outcome = 1.118 × (transformational) – 0.184 × (laissez-faire).

Where the constant (1.118) is the transformational coefficient (table 4.5.1b), and the constant (- 0.184) is the laissez-faire coefficient (table 4.5.1b). This means that through this equation we can estimate the score of the outcome once we had the scores of both the transformational and laissez-faire leadership styles.

As table (4.5.1b) below shows, for the independent variable transformational style, the probability of the statistic (t = 21.512) for the B coefficient is less than (0.05), thus, we reject the null hypothesis that the slope associated with transformational variable is equal to zero and conclude that there is a statistically significant relationship between the transformational leadership style and the outcome variable; i.e. the variable transformational leadership style will be included in the model. The same interpretation was applied to the variable laissez-faire style which was also included in the model since the probability of the statistic (t = - 3.472) is less than (0.05). On the other hand, the remaining independent variable (transactional style) was excluded from the model since the probability of the statistic (t = 0.391) is greater than (0.05), which means that we accept the null hypothesis that the slope associated with the independent variable transactional style is equal to zero. The constant (a) was also excluded from the model since the probability of the statistic (t = -1.171) is greater than (0.05).

Table 4.5.1b: Regression output for Model Estimation.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.291	.249		-1.171	.248
	Transformational	1.118	.053	.909	21.152	.000
	Transactional	.050	.127	.016	.391	.698
	Laissez-Faire	-.184	.053	-.143	-3.472	.001

a. Dependent Variable: outcomes

The ANOVA analysis, shown in table (4.5.1c) below, revealed that the probability of the (F) statistic (220.961) for the overall regression relationship is less than (0.05), i.e., less than or equal to the level of significance of (0.05). Thus, we reject the null hypothesis that there is no relationship between the set of independent variables and the dependent variable, and we support the hypothesis that there is a statistically significant relationship between the set of independent variables (transformational, transactional, and laissez-faire leadership styles) and the dependent variable (outcome).

Table 4.5.1c: ANOVA Analysis

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	30.176	3	10.059	220.961	.000(a)
	Residual	1.866	41	.046		
	Total	32.042	44			

a. Predictors: (Constant), laissez-faire, transactional, transformational.

b. Dependent Variable: outcomes

The estimated model registered 94.2% coefficient of determination, which means that 94.2% of the variation in the outcome variable can be explained by the variation in the score of the utilized leadership styles. The other 5.8% of the variation in the outcome variable are uncounted for in the model and can be explained by some other factors. See table (4.5.1d).

Table 4.5.1d: Coefficients of Determination of the Model.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.970(a)	.942	.937	.21336

a. Predictors: (Constant), laissez-faire, transactional, transformational.

The Case-wise Diagnostic table was not existent in this model, which indicates that there is no outlier in the model.

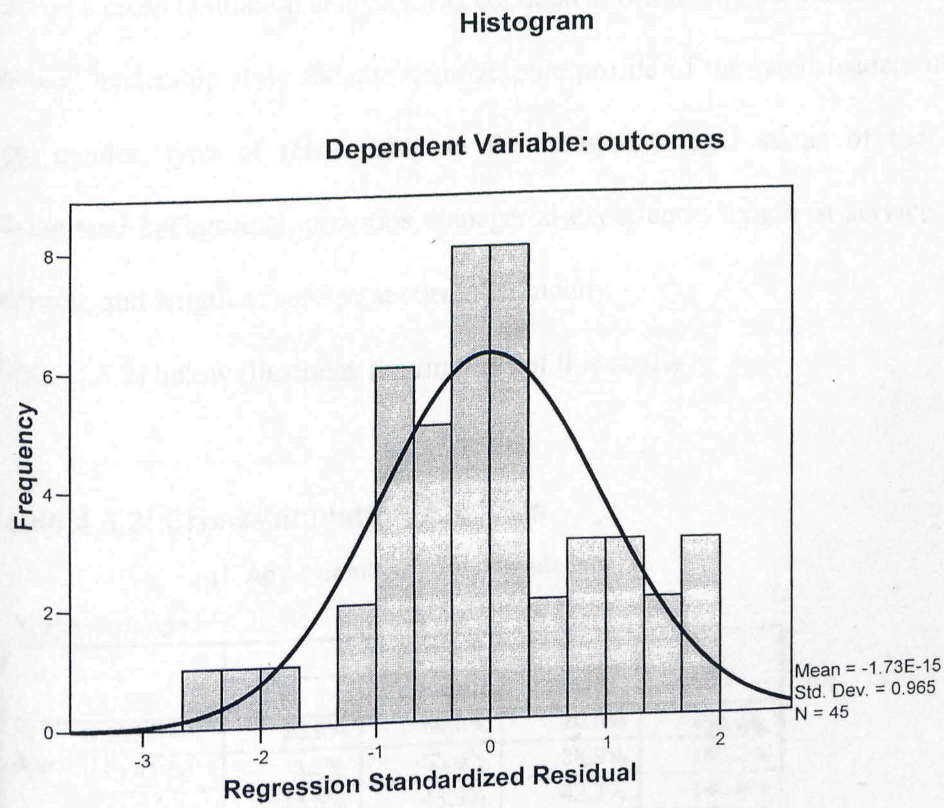
Table **(4.5.1e)** below shows the statistical distribution of the residuals in the model:

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	.5667	3.5826	1.5088	.82814	45
Residual	-.50566	.38471	.00000	.20596	45
Std. Predicted Value	-1.138	2.504	.000	1.000	45
Std. Residual	-2.370	1.803	.000	.965	45

a. Dependent Variable: outcomes

Figure (4.5.1) below represents the distribution of the residuals in the model. It can be noticed that the residuals were almost distributed around zero. The normality of residuals is important when we want to perform a test of significance for the model.



4.5.1-3 Conclusion

There is a positive linear relationship between the outcome variable and the transformational leadership style, which means that as the score of transformational leadership increases, the score of the outcome variable also increases indicating higher degrees of effectiveness and satisfaction among employees. On the other hand, there is a negative linear relationship between the laissez-faire leadership style and the outcome variable, which means that as the score of laissez-faire leadership increases, the score of the outcome variable decreases indicating lower degrees of effectiveness and satisfaction among employees.

4.5.2 The Relationship between the Utilized Leadership Style & the Demographic Profile of the Leader

Since both the leadership styles and the demographic variables are qualitative in nature, a cross tabulation analysis was conducted to study the relationship between the utilized leadership style and the demographic profile of the rated leaders in terms of age, gender, type of relationship to the company, legal status of the company, educational background, previous managerial experience, length of service in current position, and length of service at current company.

Table (4.5.2) below illustrates the findings of this analysis:

Table 4.5.2: Cross-tabulation Analysis

q1 Age * dominant Crosstabulation

% within q1 Age

		dominant			Total
		LF	Transac.	Transfo.	
q1 Age	2) 31-40	20.0%	60.0%	20.0%	100.0%
	3) 41-50	5.6%	55.6%	38.9%	100.0%
	4) > 50	13.6%	43.6%	42.8%	100.0%
Total		11.1%	60.0%	28.9%	100.0%

q3 Your type of relationship to the company is * dominant Crosstabulation

% within q3 Your type of relationship to the company is

		dominant			Total
		LF	Transac.	Transfo.	
q3 Your type of relationship to the company is	1 Owner	5.0%	60.0%	35.0%	**100.0%**
	2 Share holder	15.8%	63.2%	21.1%	**100.0%**
	3 Employee	16.7%	50.0%	33.3%	**100.0%**
Total		**11.1%**	**60.0%**	**28.9%**	100.0%

q4 The legal status of the company is * dominant Crosstabulation

% within q4 The legal status of the company is

		dominant			Total
		LF	Transac.	Transfo.	
q4 The legal status of the company is	1 Sole proprietorship	6.7%	66.7%	26.7%	**100.0%**
	2 Partnership	33.3%	66.7%		**100.0%**
	3 Private corporation		52.9%	47.1%	**100.0%**
	4 Public Corporation	33.3%	55.6%	11.1%	**100.0%**
	5 cooperative		100.0%		**100.0%**
Total		**11.1%**	**60.0%**	**28.9%**	**100.0%**

q5 Educationl Background * dominant Crosstabulation

% within q5 Educationl Background

		dominant			Total
		LF	Transac.	Transfo.	
q5 Educationl Background	1 Tawjihi or less	6.7%	80.0%	13.3%	**100.0%**
	2 Two years Collage degree		33.3%	66.7%	**100.0%**
	3 Four years university degree	16.7%	54.2%	29.2%	**100.0%**
Total		**11.1%**	**60.0%**	**28.9%**	**100.0%**

q 6 your previous managerial experience is between * dominant Cross tabulation

% within q 6 your previous managerial experience is between

		dominant			Total
q 6		LF	Transac.	Transfo.	
Previous managerial experience	1) No experience	6.3%	68.8%	25.0%	**100.0%**
	2) 1-5 years	30.0%	40.0%	30.0%	**100.0%**
	3) 6-10 years	---	33.3%	66.7%	**100.0%**
Total		**11.1%**	**60.0%**	**28.9%**	**100.0%**

q7 Your length of service at current position is between * dominant Crosstabulation

% within q7 Your length of service at current position is between

		dominant			Total
		LF	Transac.	Transfo.	
q7 Your length of service at current position is between	1) 1 - 5	16.7%	50.0%	33.3%	**100.0%**
	2) 6 - 10	10.0%	30.0%	60.0%	**100.0%**
	3) 11-15	6.7%	26.7%	66.6%	**100.0%**
	4) 16 -20	2.2%	17.8%	80.0 %	**100.0%**
	5) > 20	0.0%	10.0%	90.0%	**100.0%**
Total		**11.1%**	**60.0%**	**28.9%**	**100.0%**

q8 Your length of service at current enterprize is between * dominant Crosstabulation

% within q8 Your length of service at current enterprize is between

		dominant			Total
		LF	Transac.	Transfo.	
q8 Your length of service at current enterprize is between	1) 1 - 5	16.7%	50.0%	33.3%	**100.0%**
	2) 6 -10	10.0%	30.0%	60.0%	**100.0%**
	3)11-15	6.7%	26.7%	66.6%	**100.0%**
	4)16-20	2.2%	17.8%	80.0%	**100.0%**
	5) > 20	0.0%	10.0%	90.0%	**100.0%**
Total		**11.1%**	**60.0%**	**28.9%**	**100.0%**

The previous tables shed some light on the characteristics and aspects of those leaders who were rated as transformational, transactional, or laissez-faire leaders, and indicate some kind of either negative or positive relationships between the utilized leadership style and some of the demographic variables. As for the null hypothesis related to question three of the research questions concerning the relationship between the utilized leadership style and the demographic profile of the leader, we conclude the following based on the above cross tabulation analysis:

1. For the demographic variables gender of the leader, his type of relationship to the company, and the legal status of the company, we do not reject the null hypothesis assuming that there is no significant statistical relationship between the utilized leadership style and these variables; i.e. these variables do not have any significant effect on the choice or utilization of the leadership style.

2. For the demographic variables age of the leader, his educational background, his previous managerial experience, his length of service at the current position, and his length of service at the current enterprise, we reject the null hypothesis and conclude that there is a significant statistical relationship between these variables and the utilized leadership style.
3. For the impact of the subordinates' characteristics and the situational factors on the choice of the utilized leadership style the following facts were observed:

- The Palestinian corporate culture, mentality, code of ethics, values, and beliefs seemed to play a major role in determining the choice of the Palestinian leaders concerning what leadership style to employ. As observed by the researcher, most of the targeted leaders believe that being a leader means being strict, vigorous, serious, firm, and task-oriented. One of the interviewed leaders summarized this concept by noting that "to be a successful leader, you should have no emotions; because once your subordinates feel that, they will not obey you. And to attain your goal you should not pay attention to those who might fall on the road and might be trodden by you."
- The Palestinian context which is characterized by political fluctuations, economic instability, Israeli occupation with its exudations and discharges, besides its being a transitional country that is moving towards independence played a major role in driving the industrial leaders in this country towards utilizing the strict and rigid leadership styles as indicated by Burns (1978) who found that the leaders in transitional countries incline more strongly to the rigid leadership styles. One of the interviewed leaders commented in this regard "the copiousness and intensity of the various economic and political

challenges and obstacles facing our industries do not leave us any choice but to concentrate totally on productivity, performance, reducing our manufacturing costs, and building our national economy. In such a situation there is no place for emotional considerations."

- The characteristics of the Palestinian workers seemed to play another role in the leaders' inclination towards the transactional behavior. As noted by one of the interviewed leaders "the majority of Palestinian workers do not have any sense of loyalty towards their work, and they tend to be unproductive, lazy, insincere, fraud, and dishonest. We do not blame them for this behavior because we believe that they got used to it while working in the Israeli factories; thus, it became part of their personalities, but we should be severe, strict, and firm in our relation with them since they will not work well unless they feel scared".

The findings of the cross tabulation analysis can be summarized as follows:

1. In terms of age all the rated leaders were above the age of 30 years. A positive linear relationship was found between the age of the leader and his inclination to utilize the transformational leadership style (20% of the transformational leaders were between the ages 31-40, 38.9% of them were between the ages 41-50, and 42.8% were above the age of 50 years). This means that as older and more experienced as the leader becomes, as more inclined to utilize the transformational style he gets. On the other hand, a negative linear relationship was found between the age of the leader and his inclination to utilize the transactional leadership style (60% of the transactional leaders were between the ages 31-40, 55.6% of them were between the ages 41-50, and 43.6% of them were above the age of 50 years). This means that as older and more

experienced as the leader becomes, as less prone to utilize the transactional style he gets.

2. In terms of gender, all the rated leaders were found to be males without any female at the rank of leader among the responding companies. This might be explained by the corporate Arab culture, mentality, values, code of ethics, and beliefs which consider it as censured and abnormal behavior to have or nominate a female leader in their institutions.
3. In terms of the leader's type of relationship to the company, owner leaders were found to be less inclined to utilize laissez-faire leadership style, and more prone to be transactional leaders, while employee leaders had the greatest percentage among those who were rated as laissez-faire leaders. This was indicated through the critiques of some raters who described the behavior of their leaders as having "a high rate of absenteeism for personal reasons, and unconcern in achieving the company goals as long as their personal goals are fulfilled".
4. In terms of the legal status of the company, sole proprietorship companies' leaders were found to be less inclined to engage in laissez-faire leadership behavior, and more prone to be transactional leaders, while 33.3% of the leaders who were found to utilize the laissez-faire style were leaders of partnership companies and public corporations companies respectively. 52.9% of the private corporation companies' leaders were transactional, and the rest (47.1%) were transformational. All the cooperative companies' leaders were found to utilize the transactional leadership style.
5. In terms of the leaders' educational background, it was found that education is positively related with transformational leadership style. The less the leader's

educational background, the more he gets prone to engage in transactional leadership (80% of the transactional leaders had Tawjihi or less), and this tendency decreases and moves towards transformational behavior as he gets more educated (66.7% and 29.2% of the transformational leaders had a community college degree and a university degree respectively).

6. In terms of the leaders' previous managerial experience, it was found that there is a positive linear relationship between the leader's years of past managerial experience and his utilization of the transformational leadership style; i.e. the more past experience he has, the more prone he becomes to utilize the transformational style (25% of the transformational leaders were with no previous managerial experience, 30% of them had 1-5 years of experience, and 66.7% had 6-10 years of experience). On the other hand, a negative linear relationship was found between the leader's years of past managerial experience and his tendency to engage in transactional leadership behavior; i.e. the more past experience he has, the less he becomes inclined to utilize the transactional style (68.8% of the transactional leaders were with no previous managerial experience, 40% of them had 1-5 years of experience, and 33.3% had 6-10 years of experience). What is meant by this variable is the past managerial experience the leader had before he became a leader of the current company; in other words, a past experience as a leader in another company. Only 28.9% of the rated leaders were found to have this past managerial experience, the rest 71.1% were without any kind of past managerial experience. These findings were consistent with the findings of the first variable concerning the age of the leader; since as older as the leader becomes, as more experienced he gets.

7. As for the variables length of service at the current position, and length of service at the current enterprise, the cross tabulation analysis was identical, i.e. the years of length at the current position were the same as the years of length at the current company, which means that most of the leaders started their work at the company as leaders. This might be explained by the fact that 86.7% of the rated companies were family businesses that take the issue of leadership as granted by virtue of ownership and family ties. Again, it was found that the more the leader remains in his position as a leader of the company, the more he becomes inclined to utilize the transformational style of leadership. This is consistent with the findings related to the variables of the age and past experience; since as long as the leader remains in his position, as long as he gets older and more experienced, and thus more prone to engage in transformational leadership behavior than in transactional one (33.3% of the transformational leaders had 1-5 years of length at current position and enterprise, 60% of them had 6-10 years, 66.6% of them had 11-15 years, 80% had 16-20 years, and 90% of them had above 20 years of length).

4.6 Summary of the Findings

The findings of this study after the in-depth analysis of the survey responses can be summarized as follows:

1. 48.9% of the rated leaders were above the age of 50 years, all of them were males, 44.4% of them were owners of the responding companies, and only 13.3% were employees. 37.8% of the companies were private corporations, 33.3% were sole proprietorship, 20% were public corporations, 6.7% were partnerships, and 2.2% were cooperative companies. One third of the leaders were without higher education (Tawjihi or less), 13.3% had a two-year college

degree, and 53.3% had a university degree. 71.1% of the leaders were without any previous managerial experience, 22.2% had 1-5 years of experience, and 6.7% had 6-10 years of experience.

2. Transactional leadership style was found to be the most frequently used leadership style among the leaders of the Palestinian industrial companies. 60% of the leaders were rated as being transactional leaders, 28.9% were rated as transformational leaders, and 11.1% were rated as laissez-faire leaders.
3. Transformational leadership style was exhibited less frequently than transactional leadership, and laissez-faire variables of leadership were noted as the least commonly occurring leadership style.
4. Although laissez-faire leadership was found to be the least observed leadership characteristic among the targeted leaders, it was noted significantly more frequently among the leaders with low educational background, low previous managerial experience, and employee leaders.
5. Transformational leadership was found to induce the greatest satisfaction, willingness to exert extra effort, and effectiveness among employees.
6. The outcome of the leadership process measured in terms of extra effort, effectiveness, and satisfaction among employees was found to be very low. The mean for this variable among the transactional leaders who formed 60% of the rated leaders was (1.01) which means according to the scale (once in a while). In general, 76% of the respondents had an outcome score below 2 which means (sometimes).
7. A positive linear relationship was found between the outcome of the leadership process, and the transformational leadership style; i.e. as the score of the transformational style increases, the outcome score also increases

indicating higher degrees of satisfaction. On the other hand, a negative relationship was found between the outcome variable and the transactional and laissez-faire leadership styles; i.e. as the leader inclines more to utilize the transactional or the laissez-fair style, as the outcome variable decreases, indicating higher degrees of dissatisfaction among employees.

8. A positive relationship was found between the leader's educational background and the utilization of the transformational leadership style. The less the leader's educational background, the more he gets prone to engage in transactional leadership (80% of the transactional leaders had Tawjihi or less), and this tendency decreases and moves toward transformational behavior as he gets more educated (66.7% and 29.2% of the transformational leaders had a community college degree and a university degree respectively).
9. The less the leader's managerial experience, the more he gets inclined to utilize the transactional leadership style (68.8% of the transactional leaders were with no previous managerial experience, 40% of them had 1-5 years of experience, and 33.3% had 6-10 years of experience).
10. The more the leader's managerial experience, the more he moves toward utilizing the transformational leadership style (25% of the transformational leaders were with no previous managerial experience, 30% of them had 1-5 years of experience, and 66.7% had 6-10 years of experience).
11. The older the leader is, and the more he remains in his position as the leader of the company, the more he gets inclined to utilize the transformational leadership style and moves away from engaging in transactional or laissez-faire behavior.

Chapter Five

Conclusions and Recommendations

5.1 Study Summary

Debate regarding the most effective leadership style has long been conducted in business, government, and educational environments. Throughout the past centuries, many different leadership theories have been proposed and examined. From the Great Man theory of leadership, which was based on the assumption that great leaders are genetically endowed with superior qualities, to Personal-Situational theorists who advocated frequent interaction between leaders and followers to improve leadership efficiency, a variety of leadership theories have been first embraced and later criticized during the past 150 years. Some of these groups of theorists include: 1) The Trait theorists, who viewed leadership as a product of a single set of forces and characteristics; 2) The Behavioral theorists, who investigated the relationship between leaders' behaviors and organizations; and 3) The Contingency theorists, who frequently described leadership behavior in terms of the interaction between the leader and his context. This variety of leadership theories has engendered much discussion, and frequently argument among scholars and management theorists. In the 1970s, a majority of leadership research began to emphasize transactional leadership theory, and in the 1980s the underlying basis of this theory was expanded to include transformational leadership theory as well.

Transactional leadership theory is based on the premise that a transaction takes place between the leader and followers that benefits both parties (Burns, 1978). In addition to this leadership method, transformational leaders motivate followers to do more than they originally expected to do by utilizing one or all of the following methods:

stimulate interest among followers to view their work from new perspectives; generate awareness of mission or vision of the organization; develop followers to higher levels of ability and potential; and motivate followers to work for the group benefit as well as their own (Bass, 1985).

The complex events, chaotic developments and trends in our modern world, globalization, fierce competition, the continuing explosion of information and technology, and the economic and social upheaval, besides the peculiarity of the Palestinian situation are confronting the business leaders with a compelling need for a competitive advantage, which cannot be attained without effective leadership that is at the heart of guiding organizations with sound strategies for the sustainability of superior competitive performance and long term prosperity. It is no longer valid, nor sufficient to rely on structural change or sound investment strategies on capital equipment and pioneering technologies so as to gain a competitive power. In the 21st century, the challenge lies with leaders' ability to transform in a radical way the cultures, attitudes, objectives, and methods of working. Thus, the message is clear: If survival is the aim, then leadership is the game; and it is all a game of power: use it well or you will lose it; lead by it, or you will be led by it. Thus, the last few years had witnessed an increasing interest in leadership studies. Most of which have shown that there is a great need for leadership in organizations. The phrase "over-managed and under-led" seems to provide the best summary of the reason for the growing interest in this subject.

Therefore, the purpose of this study was to examine the leadership style of the Palestinian industrial leaders. Data were gathered regarding: 1) the style of leadership demonstrated by the leaders of the institutions targeted; 2) the satisfaction obtained by the employees who were confronted by these different leadership styles; and 3) whether the utilized leadership style is affected by the profile and characteristics of the leader or by any other factors. This information was obtained through the administration of the Multifactor Leadership Questionnaire to three top administrators at each of the targeted institutions. Through multiple attempts to obtain completed surveys, as described in chapter 3, 135 out of 165 completed survey instruments were returned from 45 out of 55 targeted Palestinian industrial institutions.

The principal findings of the study include the following:

1. Transactional leadership is the most frequently utilized leadership style among the leaders of the targeted industrial institutions in Palestine. This inclination of Palestinian industrial leaders towards the choice of transactional leadership style might be explained by the following:
    - Their main goal of profit maximization which cannot be attained, as they think, without sticking to the rigorous, strict and production oriented behavior that concentrate only on productivity and performance.
    - The fact that the majority of them are business owners (86.7%), without much previous experience or education, and those with such characteristics and traits tend to be more conservative and strict in their behavior.
    - The Palestinian corporate culture, mentality, code of ethics, values, and beliefs seemed to play a major role in determining the choice of the Palestinian leaders concerning what leadership style to employ.

As noticed by the researcher, most of the targeted leaders believe that being a leader means being strict, vigorous, serious, firm, and task-oriented. One of the interviewed leaders summarized this concept by noting that "to be a successful leader, you should have no emotions; because once your subordinates feel that, they will not obey you. And to attain your goal you should not pay attention to those who might fall on the road and might be trodden by you".

- The Palestinian context which is characterized by political fluctuations, economic instability, Israeli occupation with its exudations and discharges, and its being a transitional country that is moving towards independence. Such situational characteristics play a major role in driving the industrial leaders in this country towards utilizing the strict and rigid leadership styles as indicated by Burns (1978) who found that the leaders in transitional countries incline more strongly to the rigid leadership styles.
- The characteristics of the Palestinian workers seemed to play another role in the leaders' inclination towards the transactional behavior. As noted by one of the interviewed leaders "the majority of Palestinian workers do not have any sense of loyalty towards their work, and they tend to be unproductive, lazy, insincere, fraud, and dishonest. We do not blame them for this behavior because we believe that they got used to it while working in the Israeli factories; thus, it became part of their personalities, but we should be severe, strict, and firm in our relation with them since they will not work well unless they feel scared".

2. Transformational leaders were found to induce the greatest satisfaction among the top administrators surveyed.
3. Transformational leadership style was exhibited less frequently than transactional leadership, and laissez-faire variables of leadership were noted as the least commonly occurring leadership style. This is consistent with the fact that 86.7% of the targeted companies were family owned-businesses, and owners of the business tend more to be conservative, rigorous, and firm in their behavior.
4. Although laissez-faire leadership was found to be the least observed leadership characteristic among the targeted leaders, it was noted significantly more frequently among the leaders with low educational background, low previous managerial experience, and employee leaders. Such characteristics seemed to induce more concern in the leader towards personal goals' attainment than towards the company's goals.
5. The outcome of the leadership process measured in terms of extra effort, effectiveness, and satisfaction among employees was found to be very low. Nevertheless, it was greater with transformational leaders (mean = 2.68), and low with transactional and laissez-faire leaders (mean = 1.01 and 1.12 respectively). This is consistent with previous studies which found that high rates of employee satisfaction were associated with transformational leadership style (Bass, 1990).

5.2 Theoretical Contributions of the Study

This study has exploited mainly two streams of literature; firstly, the literature related to management thought; and secondly, the leadership literature. In relation to both of these, different perspectives have been discussed. The main area of research to which this study has aimed at contributing is the research on leadership and its application in the industrial Palestinian context. Management literature has thus been used to bring its concepts and viewpoints into the leadership discussion. The following paragraphs summarize the most important theoretical contributions that this study has made to the leadership research. In addition, they will also discuss the contributions this study has made to Palestinian industrial research, or moreover, to the theoretical discussion related to the leadership issues in the Palestinian industrial context.

5.2-1 Theoretical Contributions to Leadership

In conducting scientific research, the credibility and novelty of the results of a study can be considered the most important signs of the quality of the study. Thus, the theoretical contributions of a study need to be carefully formulated and presented. The main field of study that this research has aimed at contributing to is the leadership styles, approaches and concepts. In terms of the knowledge and new insights that this research has generated to the field of leadership the following are summarized:

1. **The impact of education:** as can be noticed through the theoretical discussions reviewed in Chapter Two of the current study, education of the leader was not considered as a variable to be studied concerning its impact on the choice of the utilized leadership style. The reason behind this might be that higher education in the Western culture is taken as granted to be existent in any leader. This issue is totally different in the developing countries; not all leaders have higher education degrees, they might become leaders simply because they are the owners or members of the owner family of the business. This study has found that 46.7% of the Palestinian industrial leaders were

without a university degree. It also found that education was positively related with transformational leadership style (80% of the transactional leaders had Tawjihi or less, and 66.7% of the transformational leaders had higher educational degrees). This means that leaders with higher educational degrees were more inclined to utilize the transformational style than other styles of leadership. This finding can be considered as a new view towards the research focusing on the variables that affect the choice of the leadership style.

2. **The impact of age and past experience:** the elaboration of the leadership styles utilized by the Palestinian industrial leaders conducted in this study resulted in identifying other factors that do have a role in the choice of the leadership style. Besides education, the age of the leader and his previous managerial experience were found to correlate positively with the utilization of the transformational leadership style (42.8% of the transformational leaders were above the age of 50 years, and 66.7% of them had 6-10 years of past managerial experience). Such elements have not received the proper attention by the previous research on leadership. Thus, by focusing attention on them, this study has made a contribution to leadership literature in terms of the factors that should be explored to understand the reasons behind utilizing particular leadership styles.

3. **The impact of culture**: the models of leadership discussed so far in Chapter Two of this study deal with the notion of "context" in a relatively narrow manner. In fact, the culture, code of ethics, beliefs, and values through which the organization operates form a critical aspect of context which creates other demands on both the followers and the managers of an organization and the interrelationships between them. The current study revealed that cultural

concepts, values, and beliefs do affect the choice the leaders make concerning what leadership style to utilize, the leadership perception, the employment policies and strategies, and the behavioral and conceptual characteristics of the followers. In the Palestinian context, the concern for the family and the relatives come before the concern for the job and the organization; thus, what is considered as nepotism in other cultures is considered as an obligation in the Palestinian culture. This in turn, distorts the whole recruitment policies for both top administrators and ordinary employees in the Palestinian organizations.

4. **The impact of political and economic instability**: most of the leadership models discussed so far, if not all of them, assumed the stability in both the political and economic conditions surrounding the organizations. The case with the current study is totally different; the Palestinian context lacks for such stability and is intensely marked with political and economic fluctuations. Such conditions impose additional demands on all organizational members; leaders might find themselves at some times obliged to be strict, firm, and severe in their behavior, and followers, on the other hand might be over-stressed, unable, unwilling, and thus, less productive and ineffective.
5. **The impact of mutual trust:** the issue of mutual trust between the leader and the followers was narrowly discussed in the leadership literature. The current study revealed that the absence of mutual trust between the leader and his followers was among the central reasons that induced the leaders to utilize the strict and rigid leadership styles; as it was behind the followers' ineffectiveness and unwillingness to exert extra effort. Thus, the notion of mutual trust should

be thoroughly explored in terms of its negative effects on both the leader and his followers.

6. **Transitional economies and transformational leadership style**: Burns (1978) and Bass (1990) noted that the leaders in the transitional economies tend more to utilize the rigid and strict leadership styles such as the transactional leadership style. The current study revealed that transformational leadership can be effectively and successfully implemented in the transitional economies. The Palestinian industrial leaders are operating in a transitional country that is moving steadily towards the political and economic independence; even though, 28.9% of them were found to effectively utilize the transformational leadership style. One of the interviewed transformational leaders commented "I found that the shortest way to achieve my goals is through considering the needs and goals of my subordinates; by keeping them satisfied I do guarantee their loyalty, integrity, devotion, efficacy, and willingness to exert extra effort".

5.2-2 Theoretical Contributions to the Palestinian Context

The empirical context of this study has been the Palestinian industry, or more specifically, the field of leadership in the Palestinian industrial institutions. In the research studies conducted on the Palestinian industry there has been a lot of interest in identifying the major characteristics of this sector, as well as the major obstacles and challenges hindering its progress and development, but none of them tried to shed some light on the issue of leadership. The following summarize the contributions that this study has offered to the Palestinian industrial research:

1. This study was the first empirical one to broach the leadership issues in the Palestinian context, and to explore the leadership styles utilized in the Palestinian industrial organizations.
2. The study found that the outcome of the transactional leadership style in terms of satisfaction, extra effort, and effectiveness among Palestinian employees were very low (average = 1.01), which resulted in low productivity and efficiency. This critical fact requires more serious attention and exploration from both the public and private decision makers due to its devastating effects on the Palestinian national economy as a whole.
3. The study revealed the absence of female participation and presence in the Palestinian business world, which reflects the cultural beliefs that considers it as offensive and abnormal to have female leaders and top administrators. This calls for serious reconsideration and evaluation of these beliefs and values.
4. The majority of the Palestinian industrial leaders perceive the notion of leadership as granted by virtue of ownership and inheritance. This perception resulted in structural distortions in the Palestinian industrial organizations and marked their succession policies. The transfer of leadership in these organizations from the first generation of the founders to the second or the third is much often marked with management conflict between the members of the owner family, and it usually ends with the organization split out between them. Sabri (1998) mentioned that 32% of the Palestinian manufacturing firms were found to have management conflict, either at the first or the second generation of the founders.
5. The study revealed a vast and vital gap between the Palestinian industrial leaders and their subordinates in terms of mutual trust, which calls for serious

evaluation and reconsideration of the behaviors and attitudes from both sides. For example, 74% of the respondents rated their leaders as "not at all" concerning the variable "goes beyond self-interest for the good of the group"; 74% of them rated their leaders as "not at all" for the variable "treats me as an individual"; 75% of them rated their leaders as "once in a while" concerning the variable "acts in ways that builds my respect"; and 57% of them rated their leaders as "not at all" concerning the variable "considers the moral and ethical consequences of his decisions". Such statistics reveal a critical trust crisis between the Palestinian leader and his followers.

6. Finally, the study confirmed the findings of the previous studies conducted on the Palestinian industrial sector such as those of Sabri (1998; 1999) and Nasr (1997; 1999; 2002; 2004) in terms of the general features that characterize the industrial sector in Palestine and its importance to the over all Palestinian national economy.

5.3 Transformational and Transactional Leadership in the Palestinian Context

Transformational and transactional leadership theory was first introduced by Burns (1978), and expanded upon by Bass in 1985, who proposed a theory of transformational leadership, in which the leader motivates followers to do more than they are originally expected to do by raising their level of awareness, encouraging them to transcend their own self-interest, or by altering their need levels. On the other hand, the transactional leader recognizes the needs of the follower and clarifies for him how these needs will be fulfilled in exchange for his satisfactory effort and performance (Bass, 1985). Many theorists including Burns (1978) and Bass and Avolio (1993) have stated that transformational leadership is the most successful form of leadership in many contexts, and that it induces greater rates of satisfaction and effectiveness among employees.

The current study was designed to examine and explore the leadership styles utilized in the Palestinian industrial context. The Full Range Model of Leadership introduced by Bass (1985) was adopted as the diagnostic model for the study. This model includes leadership styles that are highly transformational at one end, to those that are highly avoidant at the other end. One of the most significant findings of the study was the relatively high rates of satisfaction among the employees whose leaders are exhibiting transformational leadership skills and qualities. In past studies utilizing the MLQ in business settings, all three of the outcome variables; effectiveness, extra effort, and satisfaction, were found to correlate most highly with transformational leadership, less so with transactional leadership, and had the lowest correlation, or in the case of the present study, a negative correlation, with laissez-faire leadership style. A similar correlation between these variables was found in this study; lending validity to the appropriateness of the use of the MLQ in business environments, and reinforcing the positive benefits of transformational leadership style.

Unfortunately, the vast majority of the surveyed Palestinian leaders (60%) were found exhibiting transactional leadership qualities, and thus, employing the transactional style as their dominant leadership style. While only (28.9%) of them were found utilizing the transformational leadership style. Consequently, the outcomes of this leadership process in terms of extra effort, effectiveness, and satisfaction among employees were very low (average 1.01). This very low rate of satisfaction, and thus, high degree of dissatisfaction among employees has dangerous effects and consequences on the overall performance of the organizations. High rates of absenteeism and voluntary turnover, as well as the low productivity, efficiency, and effectiveness among employees are examples of such dangerous consequences. This issue should be given the greatest care, concern, and attention from both the leaders of the Palestinian organizations and the related decision makers if we want for the Palestinian economy to prosper and enhance its competitive capacity.

5.4 Generalizability of the Findings

The study was designed to examine only the large scale Palestinian industrial companies. The question arises regarding the ability to apply the study's unique findings to other industrial institutions in Palestine. There are currently 13809 industrial establishments in Palestine (PCBS, 2002), 97% of which are classified as small and medium scale industries with 20 or less employees, and are not more than small businesses, craft workshops, and ateliers that are run by the owners and the members of their families besides some paid workers (Nasr, 1997; Sabri, 1998; Sabri, 1999; Nasr, 2002; Nasr, 2003). There are considerable similarities among these institutions. Some of these similarities are:

- The majority of Palestinian industrial firms are family businesses that are organized as private corporations or partnerships.
- 26% of the manufacturing establishments were founded by entrepreneurs with no previous technical experience; 28% were founded by experienced investors; 17% were working in trade and expanded into industry using backward integration; 16% were small workshops that developed into small-scale industries; 9% were based on employee entrepreneurship; and 4% as other types of ventures (Nasr, 1997; Sabri, 1998).

- Due to their nature of being family businesses, a substantial portion (about 32%) of the Palestinian manufacturing establishments were found to have management conflict, either at the first or the second generation of the founders.
- A substantial part of the Palestinian industrial establishments (about 31%) work as subcontractors to other firms outside the West Bank.

These similarities along with many others not mentioned here, represent a significant fact concerning the Palestinian industrial institutions. This fact is that the majority of these institutions are almost the same in terms of ownership, legal status, foundation, distribution of top management positions including CEOs and top administrators, management procedures, and strategic polices. This reality might greatly add to the validity and reliability of generalizing the findings reported in this study, and considering them as applicable to all three scales of Palestinian industrial institutions, taking into consideration the limitations mentioned in chapter three. However, while they are of concern to all Palestinian industrial institutions, it will remain difficult to determine their applicability without expanding the study to encompass other industrial segments and scales throughout the various Palestinian geographical districts. In general, for Palestinian large scale industrial institutions, the findings regarding the leadership style call for great concern and attention, and encourage further exploration into the utilized style of leadership and satisfaction perceived at their own companies.

5.5 Recommendations for Future Research

The unique and thought provoking findings of this study will be useful to both students and practitioners of presidential leadership. The data gathered, however, could be expanded to provide further information through additional research into the area of presidential leadership styles. The findings suggest several different areas of further research that would add the general fund of knowledge. One of the limitations of the present study is the narrow focus of the designated study participants. The current study was designed to examine the presidential leadership styles at only the large scale Palestinian industrial companies. By expanding the survey group, further information could be gathered to strengthen the findings of this study. The survey group could be expanded in a number of ways among which:

1. The survey group could include both the large and medium scale industries to provide a comparison between the perceived presidential leadership styles between the two groups.
2. An expanded group could include a sample drawn from all the Palestinian industrial sectors as stated by the Palestinian Central Bureau of Statistics. Such a study would enable the researcher to examine the trends of various leadership styles throughout the full range of Palestinian industrial institutions.
3. The study could be further enlarged to include all of the large scale industrial institutions including those located at Gaza Strip, thus surveying the entire population of large scale Palestinian industries. A study designed to include all the institutions in the targeted population would provide the greatest amount of applicable information for the entire population.
4. Additional information could be obtained by administering the survey instrument (the Multifactor Leadership Questionnaire) to a greater number of

administrators at each surveyed institution. This would help ensure a more representative response from all the targeted institutions.

Additional research suggested by the current study would include an extension of data gathering at the same institutions over a longer period of time. The same group of the targeted institutions could be surveyed once a year for five years to create a longitudinal database. Data gathered in such a study would enable the researcher to examine several further relationships. Some findings possible through a longitudinal study include the following:

1. The relationship between the personal development and training of the rated leader and the perceived leadership style at the same institution throughout the course of time. This would enable the study of perceived changes in leadership style in relationship to the seeming changes in the company's excellence and effectiveness.
2. The study of how perceived leadership style changes, or could be changed, over time for the same company leader.
3. Whether the apparent excellence and efficacy of an institution changes as changes are made among the presidential appointments of different leadership skills.

Finally, further research is recommended for studying efficacy of leadership style at other types of institutions, such as the various service institutions, and the public sector institutions. The inclusion of such institutions into the survey group would supply leadership information that would reach beyond the sphere of national industrial institutions. Thus by expanding the scope of the present research, further useful information could be gathered regarding the importance of presidential leadership style.

5.6 Recommendations of the Study

The study reflected a set of characteristics and facts about the Palestinian industrial sector concerning the leaders' behavior and their utilized leadership styles; it also examined the outcomes and effects of these utilized styles on the production process in terms of extra effort, effectiveness, and satisfaction among employees. In general, these facts and findings demonstrate that the Palestinian industrial sector suffers from structural distortions in terms of management policies and behaviors, utilized leadership styles, presidential appointment policies, and employees' reactions towards both their companies and their leaders. Consequently, these distortions hindered this sector from playing an effective and outstanding role in the process of the national economic development. Furthermore, it resulted in a great decrease in employee productivity, and eventually a raise in production costs, and lowered the competitive capacity of the products. In sum, the Palestinian industrial sector with its current structure and utilized leadership styles is incapable of playing its required and expected role as a leading participant in the Palestinian comprehensive and sustained economic development. Its distorted managerial structure and behavior will also impede it from the effective participation in building a strong and independent national economy that is capable of competing and standing in face of the various obstacles and challenges imposed on it locally, regionally, and globally.

Therefore, and based on the fact that the Palestinian industrial sector is one of the main and essential constituents of the Palestinian economy, and the one that is entitled to play a leading role in the Palestinian comprehensive and sustained economic development in the long run; the decision makers in this sector, along with the national economic policy makers should pay more attention, care, and concern to this vital sector through the formulation and adoption of the appropriate structural, presidential, and industrial strategies that enhance its competitive capacity and enable it to achieve high growth rates and eventually comprehensive economic development. To participate in this process of enhancing the competitive capacity of the Palestinian industrial sector, the researcher, based on the findings of this study, addresses the following recommendations for both industrial companies' decision makers and economic policy makers:

1. The appeal of transformational leadership style in terms of its association with high rates of satisfaction, productivity, effectiveness, and efficiency indicates that decision makers at both public and private Palestinian industrial institutions should be considering the leadership characteristics of presidential candidates when conducting a job search for a new top administrator and in the selection process of employees in general.
2. Consideration of leadership style should occur at all institutions regardless of the perceived existing level of excellence and management quality as indicated by either international or local quality certificates such as ISO 9000 series.
3. Students of management and administration at local universities should be offered the opportunity to become familiar with the variables that define transformational leadership so as to better prepare them for effective futures in leading and managing national institutions.

4. Palestinian industrial leaders should frequently reconsider and evaluate their leadership styles in terms of outcomes, effectiveness, and efficacy since these variable do have a major role in raising productivity and enhancing the over all performance of the company.
5. Palestinian industrial leaders should seek personal development, training, and education so as to enhance their performance and leadership skills, and eventually enhance the overall performance of their institutions.
6. Leadership training centers should be established on a national basis to provide the local business market with the latest training courses and innovations in leadership science and skills.
7. Local universities are advised to add leadership courses to their management programs at both the undergraduate and graduate levels. They are also advised to consider the idea of offering special evening courses and programs in leadership to be addressed to Palestinian business leaders and top administrators, so as to develop and enhance their performance, and offer those who did not complete their education the opportunity to do so.
8. Being family businesses in general, Palestinian industrial institutions should reconsider their presidential transition policies. They should stop considering leadership as granted by virtue of ownership; being the owner does not necessarily mean that you are the best and most effective. Thus, new transition strategies should be formed and adopted, in which leadership is granted to the fittest, most effective, and the best either from within the owner family or outside it on the basis of "selection of the fittest".
9. Effective leadership is a principal key to success, this is the general notion that should be practically applied, and one of the main goals that should be

seriously sought if we want for our national economy to prosper, develop, and acquire the competitive capacity. Even if the situational factors are not encouraging, effective leadership is still capable of doing something; it can change the situation, the mentality and the behavior of the subordinates, since being a change-agent is one of the major determinants of effective leadership.

10. Transactional leaders should reconsider their choice of this style of leadership since it results in negative effects on employee satisfaction, effectiveness, and efficiency. The appeal of transformational leadership style in terms of its correlation with high rates of satisfaction, efficiency, and productivity should form as an incentive for them to change their style and engage in transformational behavior and utilization. The high rates of satisfaction among employees lead to high rates of productivity, and these in turn lead to low rates of production costs that maximize the return and enhance the over all performance of the organization and increase its competitive capacity.
11. An urgent and drastic change movement is needed to be applied in the Palestinian context that includes the following:
    - The utilized leadership styles in terms of their impact and effect on both the followers and the productivity.
    - The perception of leadership as granted by virtue of ownership and inheritance.
    - The mentality and beliefs concerning the exclusion of females from being nominated as leaders in the Palestinian institutions just because they are females.
    - The educational policies at both the schools and universities to include the teaching of leadership theories and modern concepts in their

curricula and to address the pressing need for change in terms of the above mentioned issues.

Those who will carry out this change will be naturally faced with many obstacles both internally and externally. To overcome these obstacles and succeed in their endeavor they should do the following (Hitt, 1988):

- They should be effective change-agents.
- They should perceive change as a friend.
- They should have power tools and know how to employ them.
- They should be able to deal with both the logical and psychological aspects of change.
- They should start the change process with themselves rather than with others.
- They should not force change, but facilitate it.
- They should create the enthusiasm to change.
- They should be able to create a vision for the desired state and handle that vision to the followers.
- They should seek out and accept criticism of their ideas.
- They should be able to get others to "buy into" their ideas for change.

5.7 Conclusion

The study of leadership has seen tremendous growth in recent years in the field of business and in the emerging interdisciplinary field of leadership itself. In addition, work in social psychology and organization theory and behavior has continued to contribute to our understanding of human motivation, leadership and followership roles, and the relation of leadership to organization culture, particularly in decision-making, strategic thinking, innovation, and visioning. The subject of leadership has long been embedded in curricula in history, political science, international studies, and business, and has been linked with liberal education since ancient Greece. Though largely embedded in these respective curricula, leadership has begun to be treated as a separate subject in its own right. Leadership studies have become a primary source of current research in this new field. The study of leadership has progressed from initially being focused upon the traits of leaders, to the examination of leadership behavior, and finally, to the development of contingency theories of leadership that recognize leadership as, ultimately, contextual or situational. Another significant trend in leadership studies has been the realization that the primary situation of all leadership is to be found in the inter-relationship between leaders and followers. Perhaps the most influential thinker writing on leadership today is James MacGregor Burns. This is especially the case because of his elaboration of the concept of "transforming leadership" with its emphasis on vision and the pursuit of improvements in society. In fact, "visioning" has become a dominant theme in the various studies conducted on leadership. In his first study of leadership, Burns distinguished "transactional leadership" from "transformational leadership." In his subsequent treatment of transforming leadership, Burns went on to examine numerous cases of transforming leaders who had been inventive, had shown initiative, and who had literally transformed whatever enterprise they were engaged in (Burns, 1978).

This approach to the study and implementation of leadership skills provides the conceptuality that is so very much needed for successful business ventures in today's global economy. Therefore, this study adopted the concept of transformational and transactional leadership in an attempt to study and explore the leadership styles utilized in the large scale Palestinian industrial institutions, and to find out the outcomes of these utilized styles in terms of extra effort, effectiveness, and satisfaction among employees. Proponents of transformational leadership theory have claimed that transformational leadership is the most effective and efficient leadership style in any setting. The findings of this study indicate that it is certainly the most satisfactory style of leadership, and it can be applied and utilized successfully in the Palestinian context. The significant rating of transformational Palestinian leaders as satisfactory, effective, and efficient suggests the conclusion that leaders with such leadership skills should be sought after by Palestinian institutions. Additionally, educators in higher management education should include the teaching of this leadership theory as an important part of the graduate curriculum. Unfortunately, the findings also indicate that the majority of Palestinian industrial leaders utilize the transactional leadership style, and thus, registering very low rates of satisfaction, effectiveness, and efficiency. This suggests the pressing and vital need for rehabilitation, restructuring, and reform in Palestinian institutions, and serious pursuit among Palestinian leaders toward developing their leadership concepts and skills so as to achieve success, prosperity, and distinctiveness for their institutions in this competitive and ever-changing global economy.

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APPENDICES

A. The Questionnaire / Rater Form

B. The Questionnaire / Scoring Key

C. The Interview

D. The Covering Letters

E. The Questionnaire Frequency Tables

Appendix (A)

Multifactor Leadership Questionnaire

Rater Form (5x-Short)

Name of Leader ______________________________ Date: ____________________

Organization ID # ____________________________ Leader ID # ________________

This questionnaire is to describe the leadership style of the above mentioned individual as you perceive it. Please answer all items on this answer sheet. If an item is Irrelevant, or if you are unsure or do not know the answer, leave the answer blank. Please answer this questionnaire anonymously.

IMPORTANT (necessary for processing): Which best describes you?

_______ I am at a higher organizational level than the person I am rating.

_______ The person I am rating is at my organizational level.

_______ I am at a lower organizational level than the person I am rating.

_______ I do not wish my organizational level to be known.

Forty-five descriptive statements are listed on the following pages. Judge how frequently each statement fits the person you are describing. Use the following rating scale:

Not at all	Once in a while	Sometimes	Fairly often	Frequently if not always
0	1	2	3	4

THE PERSON I AM RATING .....

1	Provides me with assistance in exchange for my efforts	0	1	2	3	4
2	Re-examines critical assumptions to question whether they are appropriate	0	1	2	3	4
3	Fails to interfere until problems become serious	0	1	2	3	4
4	Focuses attention on irregularities, mistakes, exceptions, and deviations from standards	0	1	2	3	4
5	Avoids getting involved when important issues arise	0	1	2	3	4
6	Talks about his important values and beliefs	0	1	2	3	4
7	Is absent when needed	0	1	2	3	4
8	Seeks differing perspectives when solving problems	0	1	2	3	4
9	Talks optimistically about the future	0	1	2	3	4
10	Instills pride in me for being associated with him/her	0	1	2	3	4
11	Discusses in specific terms who is responsible for achieving performance targets	0	1	2	3	4
12	Waits for things to go wrong before taking action	0	1	2	3	4
13	Talks enthusiastically about what needs to be accomplished	0	1	2	3	4
14	Specifies the importance of having a strong sense of purpose	0	1	2	3	4
15	Spends time teaching and coaching	0	1	2	3	4
16	Makes clear what one can expect to receive when performance goals are achieved	0	1	2	3	4

17	Shows that he/she is a firm believer in: "if it ain't broke, don't fix it"	0	1	2	3	4
18	Goes beyond self-interest for the good of the group	0	1	2	3	4
19	Treats me as an individual rather than just as a member of the group	0	1	2	3	4
20	Demonstrates that problems must become chronic before taking action	0	1	2	3	4
21	Acts in ways that builds my respect	0	1	2	3	4
22	Concentrates his/her full attention on dealing with mistakes, complaints, and failures	0	1	2	3	4
23	Considers the moral and ethical consequences of decisions	0	1	2	3	4
24	Keeps track of all mistakes	0	1	2	3	4
25	Displays a sense of power and confidence	0	1	2	3	4
26	Articulates a compelling vision of the future	0	1	2	3	4
27	Directs my attention toward failures to meet standards)	0	1	2	3	4
28	Avoids making decisions	0	1	2	3	4
29	Considers me as having different needs, abilities, and aspirations from others)	0	1	2	3	4
30	Gets me to look at problems from many different angles)	0	1	2	3	4
31	Helps me to develop my strengths	0	1	2	3	4
32	Suggests new ways of looking at how to complete assignments	0	1	2	3	4
33	Delays responding to urgent questions	0	1	2	3	4
34	Emphasizes the importance of having a collective sense of mission)	0	1	2	3	4
35	Expresses satisfaction when I meet expectations	0	1	2	3	4
36	Expresses confidence that goals will be achieved	0	1	2	3	4
37	Is effective in meeting my job-related needs	0	1	2	3	4
38	Uses methods of leadership that are satisfying	0	1	2	3	4
39	Gets me to do more than I am expected to do	0	1	2	3	4
40	Is effective in representing me to higher authority	0	1	2	3	4
41	Works with me in a satisfactory way	0	1	2	3	4
42	Heightens my desire to succeed	0	1	2	3	4
43	Is effective in meeting organizational requirements	0	1	2	3	4
44	Increases my willingness to try harder	0	1	2	3	4
45	Leads a group that is effective	0	1	2	3	4

Appendix (B)

Multifactor Leadership Questionnaire

Scoring Key (5x-Short)

Name of Leader ______________________________ Date: ____________________

Organization ID # ____________________________ Leader ID # ________________

This questionnaire is to describe the leadership style of the above mentioned individual as you perceive it. Please answer all items on this answer sheet. If an item is Irrelevant, or if you are unsure or do not know the answer, leave the answer blank. Please answer this questionnaire anonymously.

IMPORTANT (necessary for processing): Which best describes you?
________ I am at a higher organizational level than the person I am rating.
________ The person I am rating is at my organizational level.
________ I am at a lower organizational level than the person I am rating.
________ I do not wish my organizational level to be known.

Forty-five descriptive statements are listed on the following pages. Judge how frequently each statement fits the person you are describing. Use the following rating scale:

Not at all	Once in a while	Sometimes	Fairly often	Frequently if not always
0	1	2	3	4

THE PERSON I AM RATING .....

1	Provides me with assistance in exchange for my efforts ***(CR)***	0	1	2	3	4
2	Re-examines critical assumptions to question whether they are appropriate ***(IS)***	0	1	2	3	4
3	Fails to interfere until problems become serious ***(MBEP)***	0	1	2	3	4
4	Focuses attention on irregularities, mistakes, exceptions, and deviations from standards ***(MBEA)***	0	1	2	3	4
5	Avoids getting involved when important issues arise ***(LF)***	0	1	2	3	4
6	Talks about his important values and beliefs ***(IB)***	0	1	2	3	4
7	Is absent when needed ***(LF)***	0	1	2	3	4
8	Seeks differing perspectives when solving problems ***(IS)***	0	1	2	3	4
9	Talks optimistically about the future ***(IM)***	0	1	2	3	4
10	Instills pride in me for being associated with him/her ***(IA)***	0	1	2	3	4
11	Discusses in specific terms who is responsible for achieving performance targets ***(CR)***	0	1	2	3	4
12	Waits for things to go wrong before taking action ***(MBEP)***	0	1	2	3	4
13	Talks enthusiastically about what needs to be accomplished ***(IM)***	0	1	2	3	4
14	Specifies the importance of having a strong sense of purpose ***(IB)***	0	1	2	3	4
15	Spends time teaching and coaching ***(IC)***	0	1	2	3	4
16	Makes clear what one can expect to receive when performance goals are achieved ***(CR)***	0	1	2	3	4

17	Shows that he/she is a firm believer in: "if it ain't broke, don't fix it" ***(MBEP)***	0	1	2	3	4
18	Goes beyond self-interest for the good of the group ***(IA)***	0	1	2	3	4
19	Treats me as an individual rather than just as a member of the group ***(IC)***	0	1	2	3	4
20	Demonstrates that problems must become chronic before taking action ***(MBEP)***	0	1	2	3	4
21	Acts in ways that builds my respect ***(IA)***	0	1	2	3	4
22	Concentrates his/her full attention on dealing with mistakes, complaints, and failures ***(MBEA)***	0	1	2	3	4
23	Considers the moral and ethical consequences of decisions ***(IB)***	0	1	2	3	4
24	Keeps track of all mistakes ***(MBEA)***	0	1	2	3	4
25	Displays a sense of power and confidence ***(IA)***	0	1	2	3	4
26	Articulates a compelling vision of the future ***(IM)***	0	1	2	3	4
27	Directs my attention toward failures to meet standards ***(MBEA)***	0	1	2	3	4
28	Avoids making decisions ***(LF)***	0	1	2	3	4
29	Considers me as having different needs, abilities, and aspirations from others ***(IC)***	0	1	2	3	4
30	Gets me to look at problems from many different angles ***(IS)***	0	1	2	3	4
31	Helps me to develop my strengths ***(IC)***	0	1	2	3	4
32	Suggests new ways of looking at how to complete assignments ***(IS)***	0	1	2	3	4
33	Delays responding to urgent questions ***(LF)***	0	1	2	3	4
34	Emphasizes the importance of having a collective sense of mission ***(IB)***	0	1	2	3	4
35	Expresses satisfaction when I meet expectations ***(CR)***	0	1	2	3	4
36	Expresses confidence that goals will be achieved ***(IM)***	0	1	2	3	4
37	Is effective in meeting my job-related needs ***(E)***	0	1	2	3	4
38	Uses methods of leadership that are satisfying ***(S)***	0	1	2	3	4
39	Gets me to do more than I am expected to do ***(EE)***	0	1	2	3	4
40	Is effective in representing me to higher authority ***(E)***	0	1	2	3	4
41	Works with me in a satisfactory way ***(S)***	0	1	2	3	4
42	Heightens my desire to succeed ***(EE)***	0	1	2	3	4
43	Is effective in meeting organizational requirements ***(E)***	0	1	2	3	4
44	Increases my willingness to try harder ***(EE)***	0	1	2	3	4
45	Leads a group that is effective ***(E)***	0	1	2	3	4

Appendix (C)

The Interview

Dear Sir,

This questionnaire is intended to provide a demographic profile of you as the leader of your company. It is a part of a research project conducted in partial fulfillment of the requirements of the MBA program at Birzeit University. The research aims to describe and identify the leadership styles employed by the Palestinian industrial sector leaders.

We appreciate your cooperation and taking the time to provide the answers for the following brief questions, assuring you that all the information provided will be treated with utmost confidence and will never be used for any other purpose than this scientific research.

Thanking your kind cooperation.

The Researcher
Hasan As-Sadeq
Faculty of Graduate Studies
Birzeit University

Demographic Profile of the Leader

Company ID ______________ **Date:** ________________

PLEASE CIRCLE THE APPROPRIATE ANSWER

(1) Your Age is between:
- a. 20 – 30 years.
- b. 31 – 40 years.
- c. 41 – 50 years.
- d. Above 50 years.

(2) Your Gender is:
- a. Male.
- b. Female.

(3) Your type of relationship to the company is:
- a. Owner.
- b. Share Holder.
- c. Employee.

(4) The legal status of the company is:
- a. Sole proprietorship.
- b. Partnership.
- c. Private Corporation.
- d. Public Corporation.
- e. Cooperative.

(5) Your Educational Background is:
- a. Tawjihi or less.
- b. Two-years College degree.
- c. Four-years University degree.
- d. Master.
- e. PhD.

(6) Your previous managerial experience is between:
- a. No previous managerial experience.
- b. 1 –5 years.
- c. 6 – 10 years.
- d. 11 – 15 years.
- e. Above 15 years.

(7) Your Length of Service at current position is between:
- a. 1 – 5 years.
- b. 6 – 10 years.
- c. 11 – 15 years.
- d. 16 – 20 years.
- e. Above 20 years.

(8) Your Length of Service at Current Enterprise is between:
- a. 1 – 5 years.
- b. 6 – 10 years.
- c. 11 – 15 years.
- d. 16 – 20 years.
- e. Above 20 years.

Appendix (D)

The Covering Letters

Dear Sir,

As an MBA candidate at Birzeit University, I am conducting a study to determine and identify the leadership styles utilized by Palestinian industrial leaders. It has been generally apprehended that effective leadership is the secret that lies behind any successful organization; thus, the study tries to understand and isolate the employed leadership styles, as well as the outcomes of these styles in terms of satisfaction among subordinates, the willingness to exhibit extra effort, and effectiveness. It is believed that this study, when completed, will contribute importantly to the overall attempts and endeavors to enhance the internal capacity of Palestinian economy. Hence, I would verily appreciate it if you would please spend a little of your precious time and respond the attached multiple choice questionnaire, assuring you that all the information provided will be treated with utmost confidence and will never be used for any other purpose than this scientific research. If there is anyway you could find the time to do this within the next 10 days, it would be of great benefit to me as I am trying to complete my dissertation within the end of this semester June/July-2004.
Thanking you in advance for your kind cooperation and precious assistance in completing this research project.

Sincerely,

Hasan As-Sadeq
Birzeit University
Faculty of Graduate Studies
MBA Program

حضرة السيد الفاضل ،،

تحيه طيبة وبعد ،،

تهدف الاستبانة المرفقة إلى جمع البيانات اللازمة لتحليل ودراسة الأنماط القيادية المتّبعة في القطاع الصناعي الفلسطيني ، وذلك في إطار استكمال أطروحة ماجستير أقوم بإعدادها استيفاءً لشروط الحصول على درجة الماجستير في العلوم الإدارية من جامعة بيرزيت . وقد جاء موضوع الأطروحة منسجماً مع الأهمية القصوى والدور الحيوي الذي تلعبه القيادة العليا لأية مؤسسةٍ من خلال قدرتها على التحديد الدقيق للأهداف وامتلاكها الرؤية الشمولية لمستلزمات تحقيقها ، والاستغلال الأمثل للإمكانات الذاتية والموضوعية المتاحة ، وبالتالي تحقيق النجاح والازدهار وبلوغ الأهداف .

وعليه ، آملُ من عنايتكم التكرم بقليلٍ من وقتكم الثمين مساهمةً في استكمال هذه الدراسة وإتمامها ، وذلك من خلال إجابتكم على الأسئلة المرفقة ، متعهداً لحضرتكم بالحفاظ على السرية الكاملة والخصوصية المطلقة لكافة البيانات الفردية التي ستدلون بها ، وعدم استخدامها إلا في نطاق استخراج الجداول الإحصائية والبيانات اللازمة لاستكمال هذا البحث العلمي .

شاكراً لعنايتكم كريم تعاونكم ، ومقدراً عظيم جهدكم في خدمة هذا البلد الكريم وبناء اقتصاده وتعزيز قدراته

الباحث

حسن الصادق

جامعة بيرزيت

كلية الدراسات العليا

Appendix (E)

Questionnaire Frequency Tables

q1_1 Provides me with assistance in exchange for my efforts (CR)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	13	9.6	9.6	9.6
	1	37	27.4	27.4	37.0
	2	51	37.8	37.8	74.8
	3	20	14.8	14.8	89.6
	4	14	10.4	10.4	100.0
	Total	135	100.0	100.0	

q1_2 Re-examines critical assumptions to question whether they are appropriate (IS)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	10	7.4	7.5	7.5
	1	44	32.6	32.8	40.3
	2	52	38.5	38.8	79.1
	3	17	12.6	12.7	91.8
	4	11	8.1	8.2	100.0
	Total	134	99.3	100.0	
Missing	System	1	.7		
Total		135	100.0		

q1_3 Fails to interfere until problems become serious (MBEP)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	44	32.6	32.6	32.6
	1	28	20.7	20.7	53.3
	2	34	25.2	25.2	78.5
	3	17	12.6	12.6	91.1
	4	12	8.9	8.9	100.0
	Total	135	100.0	100.0	

q1_4 Focuses attention on irregularities, mistakes, exceptions, and deviations from standards (MBEA)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	13	9.6	9.6	9.6
	1	8	5.9	5.9	15.6
	2	13	9.6	9.6	25.2
	3	65	48.1	48.1	73.3
	4	36	26.7	26.7	100.0
	Total	135	100.0	100.0	

q1_5 Avoids getting involved when important issues arise (LF)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	45	33.3	33.8	33.8
	1	48	35.6	36.1	69.9
	2	26	19.3	19.5	89.5
	3	10	7.4	7.5	97.0
	4	4	3.0	3.0	100.0
	Total	133	98.5	100.0	
Missing	System	2	1.5		
Total		135	100.0		

q1_6 Talks about his important values and beliefs (IB)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	6	4.4	4.4	4.4
	1	10	7.4	7.4	11.9
	2	11	8.1	8.1	20.0
	3	63	46.7	46.7	66.7
	4	45	33.3	33.3	100.0
	Total	135	100.0	100.0	

q1_7 Is absent when needed (LF)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	42	31.1	31.1	31.1
	1	42	31.1	31.1	62.2
	2	32	23.7	23.7	85.9
	3	14	10.4	10.4	96.3
	4	5	3.7	3.7	100.0
	Total	135	100.0	100.0	

q1_8 Seeks differing perspectives when solving problems (IS)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	37	27.4	27.4	27.4
	1	57	42.2	42.2	69.6
	2	18	13.3	13.3	83.0
	3	14	10.4	10.4	93.3
	4	9	6.7	6.7	100.0
	Total	135	100.0	100.0	

q1_9 Talks optimistically about the future (IM)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	6	4.4	4.4	4.4
	1	26	19.3	19.3	23.7
	2	70	51.9	51.9	75.6
	3	21	15.6	15.6	91.1
	4	12	8.9	8.9	100.0
	Total	135	100.0	100.0	

q1_10 Instills pride in me for being associated with him/her (IA)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	19	14.1	14.1	14.1
	1	73	54.1	54.1	68.1
	2	19	14.1	14.1	82.2
	3	16	11.9	11.9	94.1
	4	8	5.9	5.9	100.0
	Total	135	100.0	100.0	

q1_11 Discusses in specific terms who is responsible for achieving performance targets (CR)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	6	4.4	4.4	4.4
	1	10	7.4	7.4	11.9
	2	22	16.3	16.3	28.1
	3	80	59.3	59.3	87.4
	4	17	12.6	12.6	100.0
	Total	135	100.0	100.0	

q1_12 Waits for things to go wrong before taking action (MBEP)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	24	17.8	17.8	17.8
	1	24	17.8	17.8	35.6
	2	48	35.6	35.6	71.1
	3	27	20.0	20.0	91.1
	4	12	8.9	8.9	100.0
	Total	135	100.0	100.0	

q1_13 Talks enthusiastically about what needs to be accomplished (IM)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	28	20.7	20.7	20.7
	2	60	44.4	44.4	65.2
	3	29	21.5	21.5	86.7
	4	18	13.3	13.3	100.0
	Total	135	100.0	100.0	

q1_14 Specifies the importance of having a strong sense of purpose (IB)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	3	2.2	2.3	2.3
	1	43	31.9	32.3	34.6
	2	49	36.3	36.8	71.4
	3	22	16.3	16.5	88.0
	4	16	11.9	12.0	100.0
	Total	133	98.5	100.0	
Missing	System	2	1.5		
Total		135	100.0		

q1_15 Spends time teaching and coaching (IC)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	14	10.4	10.4	10.4
	1	29	21.5	21.6	32.1
	2	17	12.6	12.7	44.8
	3	57	42.2	42.5	87.3
	4	17	12.6	12.7	100.0
	Total	134	99.3	100.0	
Missing	System	1	.7		
Total		135	100.0		

q1_16 Makes clear what one can expect to receive when performance goals are achieved (CR)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	9	6.7	6.7	6.7
	1	6	4.4	4.4	11.1
	2	18	13.3	13.3	24.4
	3	80	59.3	59.3	83.7
	4	22	16.3	16.3	100.0
	Total	135	100.0	100.0	

1_17 Shows that he/she is a firm believer in: "if it ain't broke, don't fix it (MBEP)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	51	37.8	38.9	38.9
	1	50	37.0	38.2	77.1
	2	21	15.6	16.0	93.1
	3	6	4.4	4.6	97.7
	4	3	2.2	2.3	100.0
	Total	131	97.0	100.0	
Missing	System	4	3.0		
Total		135	100.0		

q1_18 Goes beyond self-interest for the good of the group (IA)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	74	54.8	55.6	55.6
	1	25	18.5	18.8	74.4
	2	8	5.9	6.0	80.5
	3	18	13.3	13.5	94.0
	4	8	5.9	6.0	100.0
	Total	133	98.5	100.0	
Missing	System	2	1.5		
Total		135	100.0		

q1_19 Treats me as an individual rather than just as a member of the group (IC)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	74	54.8	55.2	55.2
	1	29	21.5	21.6	76.9
	2	13	9.6	9.7	86.6
	3	11	8.1	8.2	94.8
	4	7	5.2	5.2	100.0
	Total	134	99.3	100.0	
Missing	System	1	.7		
Total		135	100.0		

q1_20 Demonstrates that problems must become chronic before taking action (MBEP)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	28	20.7	20.7	20.7
	1	41	30.4	30.4	51.1
	2	45	33.3	33.3	84.4
	3	14	10.4	10.4	94.8
	4	7	5.2	5.2	100.0
	Total	135	100.0	100.0	

q1_21 Acts in ways that builds my respect (IA)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	10	7.4	7.5	7.5
	1	75	55.6	56.4	63.9
	2	17	12.6	12.8	76.7
	3	15	11.1	11.3	88.0
	4	16	11.9	12.0	100.0
	Total	133	98.5	100.0	
Missing	System	2	1.5		
Total		135	100.0		

q1_22 Concentrates his/her full attention on dealing with mistakes, complaints, and failures (MBEA)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	4	3.0	3.0	3.0
	1	14	10.4	10.4	13.3
	2	22	16.3	16.3	29.6
	3	75	55.6	55.6	85.2
	4	20	14.8	14.8	100.0
	Total	135	100.0	100.0	

q1_23 Considers the moral and ethical consequences of decisions (IB)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	57	42.2	42.5	42.5
	1	35	25.9	26.1	68.7
	2	9	6.7	6.7	75.4
	3	14	10.4	10.4	85.8
	4	19	14.1	14.2	100.0
	Total	134	99.3	100.0	
Missing	System	1	.7		
Total		135	100.0		

q1_24 Keeps track of all mistakes (MBEA)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	3	2.2	2.2	2.2
	1	15	11.1	11.1	13.3
	2	49	36.3	36.3	49.6
	3	51	37.8	37.8	87.4
	4	17	12.6	12.6	100.0
	Total	135	100.0	100.0	

q1_25 Displays a sense of power and confidence (IA)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	17	12.6	12.7	12.7
	2	66	48.9	49.3	61.9
	3	30	22.2	22.4	84.3
	4	21	15.6	15.7	100.0
	Total	134	99.3	100.0	
Missing	System	1	.7		
Total		135	100.0		

q1_26 Articulates a compelling vision of the future (IM)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	3	2.2	2.2	2.2
	1	25	18.5	18.5	20.7
	2	71	52.6	52.6	73.3
	3	23	17.0	17.0	90.4
	4	13	9.6	9.6	100.0
	Total	135	100.0	100.0	

q1_27 Directs my attention toward failures to meet standards (MBEA)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	4	3.0	3.0	3.0
	1	29	21.5	21.5	24.4
	2	34	25.2	25.2	49.6
	3	57	42.2	42.2	91.9
	4	11	8.1	8.1	100.0
	Total	135	100.0	100.0	

q1_28 Avoids making decisions (LF)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	49	36.3	36.3	36.3
	1	47	34.8	34.8	71.1
	2	19	14.1	14.1	85.2
	3	13	9.6	9.6	94.8
	4	7	5.2	5.2	100.0
	Total	135	100.0	100.0	

q1_29 Considers me as having different needs, abilities, and aspirations from others (IC)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	63	46.7	47.7	47.7
	1	35	25.9	26.5	74.2
	2	15	11.1	11.4	85.6
	3	14	10.4	10.6	96.2
	4	5	3.7	3.8	100.0
	Total	132	97.8	100.0	
Missing	System	3	2.2		
Total		135	100.0		

q1_30 Gets me to look at problems from many different angles (IS)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	8	5.9	5.9	5.9
	1	81	60.0	60.0	65.9
	2	19	14.1	14.1	80.0
	3	18	13.3	13.3	93.3
	4	9	6.7	6.7	100.0
	Total	135	100.0	100.0	

q1_31 Helps me to develop my strengths (IC)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	35	25.9	25.9	25.9
	1	55	40.7	40.7	66.7
	2	22	16.3	16.3	83.0
	3	11	8.1	8.1	91.1
	4	12	8.9	8.9	100.0
	Total	135	100.0	100.0	

q1_32 Suggests new ways of looking at how to complete assignments (IS)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	8	5.9	6.0	6.0
	1	48	35.6	35.8	41.8
	2	57	42.2	42.5	84.3
	3	14	10.4	10.4	94.8
	4	7	5.2	5.2	100.0
	Total	134	99.3	100.0	
Missing	System	1	.7		
Total		135	100.0		

q1_33 Delays responding to urgent questions (LF)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	16	11.9	11.9	11.9
	1	18	13.3	13.3	25.2
	2	66	48.9	48.9	74.1
	3	30	22.2	22.2	96.3
	4	5	3.7	3.7	100.0
	Total	135	100.0	100.0	

q1_34 Emphasizes the importance of having a collective sense of mission (IB)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	8	5.9	6.0	6.0
	1	62	45.9	46.3	52.2
	2	31	23.0	23.1	75.4
	3	18	13.3	13.4	88.8
	4	15	11.1	11.2	100.0
	Total	134	99.3	100.0	
Missing	System	1	.7		
Total		135	100.0		

q1_35 Expresses satisfaction when I meet expectations (CR)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	27	20.0	20.0	20.0
	1	52	38.5	38.5	58.5
	2	29	21.5	21.5	80.0
	3	10	7.4	7.4	87.4
	4	17	12.6	12.6	100.0
	Total	135	100.0	100.0	

q1_36 Expresses confidence that goals will be achieved (IM)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	1	.7	.7	.7
	1	40	29.6	29.6	30.4
	2	60	44.4	44.4	74.8
	3	16	11.9	11.9	86.7
	4	18	13.3	13.3	100.0
	Total	135	100.0	100.0	

q1_37 Is effective in meeting my job-related needs (E)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	52	38.5	38.8	38.8
	1	50	37.0	37.3	76.1
	2	11	8.1	8.2	84.3
	3	12	8.9	9.0	93.3
	4	9	6.7	6.7	100.0
	Total	134	99.3	100.0	
Missing	System	1	.7		
Total		135	100.0		

q1_38 Uses methods of leadership that are satisfying (S)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	49	36.3	36.6	36.6
	1	49	36.3	36.6	73.1
	2	10	7.4	7.5	80.6
	3	19	14.1	14.2	94.8
	4	7	5.2	5.2	100.0
	Total	134	99.3	100.0	
Missing	System	1	.7		
Total		135	100.0		

q1_39 Gets me to do more than I am expected to do (EE)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	16	11.9	11.9	11.9
	1	84	62.2	62.2	74.1
	2	17	12.6	12.6	86.7
	3	11	8.1	8.1	94.8
	4	7	5.2	5.2	100.0
	Total	135	100.0	100.0	

q1_40 Is effective in representing me to higher authority (E)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	46	34.1	34.3	34.3
	1	58	43.0	43.3	77.6
	2	9	6.7	6.7	84.3
	3	8	5.9	6.0	90.3
	4	13	9.6	9.7	100.0
	Total	134	99.3	100.0	
Missing	System	1	.7		
Total		135	100.0		

q1_41 Works with me in a satisfactory way (S)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	60	44.4	44.4	44.4
	1	34	25.2	25.2	69.6
	2	12	8.9	8.9	78.5
	3	16	11.9	11.9	90.4
	4	13	9.6	9.6	100.0
	Total	135	100.0	100.0	

q1_42 Heightens my desire to succeed (EE)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	3	2.2	2.2	2.2
	1	72	53.3	53.3	55.6
	2	28	20.7	20.7	76.3
	3	15	11.1	11.1	87.4
	4	17	12.6	12.6	100.0
	Total	135	100.0	100.0	

q1_43 Is effective in meeting organizational requirements (E)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	7	5.2	5.2	5.2
	1	23	17.0	17.0	22.2
	2	22	16.3	16.3	38.5
	3	52	38.5	38.5	77.0
	4	31	23.0	23.0	100.0
	Total	135	100.0	100.0	

q1_44 Increases my willingness to try harder (EE)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	12	8.9	9.0	9.0
	1	74	54.8	55.2	64.2
	2	20	14.8	14.9	79.1
	3	14	10.4	10.4	89.6
	4	14	10.4	10.4	100.0
	Total	134	99.3	100.0	
Missing	System	1	.7		
Total		135	100.0		

q1_45 Leads a group that is effective (E)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	3	2.2	2.2	2.2
	1	21	15.6	15.7	17.9
	2	51	37.8	38.1	56.0
	3	41	30.4	30.6	86.6
	4	18	13.3	13.4	100.0
	Total	134	99.3	100.0	
Missing	System	1	.7		
Total		135	100.0		

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