

Impact of Organizational Culture on leadership Types Applicable Sample on Islamic Banks in Kingdom of Bahrain

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Abstract

Social and cultural factors have significant impact on both organizations and individuals in any nation. Organizations performance and quality are highly affected by the dominating aspects in social and cultural environment. Besides, individuals' behavior and performance in these organizations in society, whether inside or outside the organizations they work in are reflection of such environment aspects. Thus, a society culture plays a vital role in organizations and individuals' life. However, this social and cultural impact differs subject to the variable nature of such organizations and individuals.

Keywords: organizational culture, leadership types, Islamic banks

Introduction:

On organizations level, there are internal factors which are related to the activity and field nature in each organization as well as level and type of such organizations management and leadership; in addition to awareness of employees thereof. These factors make organizations in the same society differ in regard of not only performance or business value, but also the nature of the aspects which formulate the internal environment of the organization which are affected by the external environment; thus they have unique features. This is what organizational culture or organization culture means. It is formed and restructured by members thereof, who are, at the same time, member of the society. Subsequently, any change in cultural and social factors in society, necessarily impact culture inside the organization.

It is important for any successful manager to work continuously to achieve consistency and coherence between organization strategy and the culture and dominating values of its employees of different managerial levels. Organization culture differs from one to another in regard of many terms: individualism, and collaboration, adventure morale, details and enthusiasm.

Research problem:

Organization usually is affected by the thoughts, beliefs and dominating values in society. Thus, its work approaches and methods are determined and its efficiency and accomplishments are affected.

Cultural features in a given society have an important role in formulating leadership behaviors and practices inside management. Besides, organizational culture dominating in any organization has an effect on forming leadership three types: democratic and strict autocratic and loose leadership in such organization.

Leadership types in organization imposes their managerial special way on management tasks and human relations and authorizing power and control type, work methods and procedures according to its faith and ideological vision.

The search is important as it attempts to answer the following question:

How does organizational culture affect the formation of leadership types?

Search importance

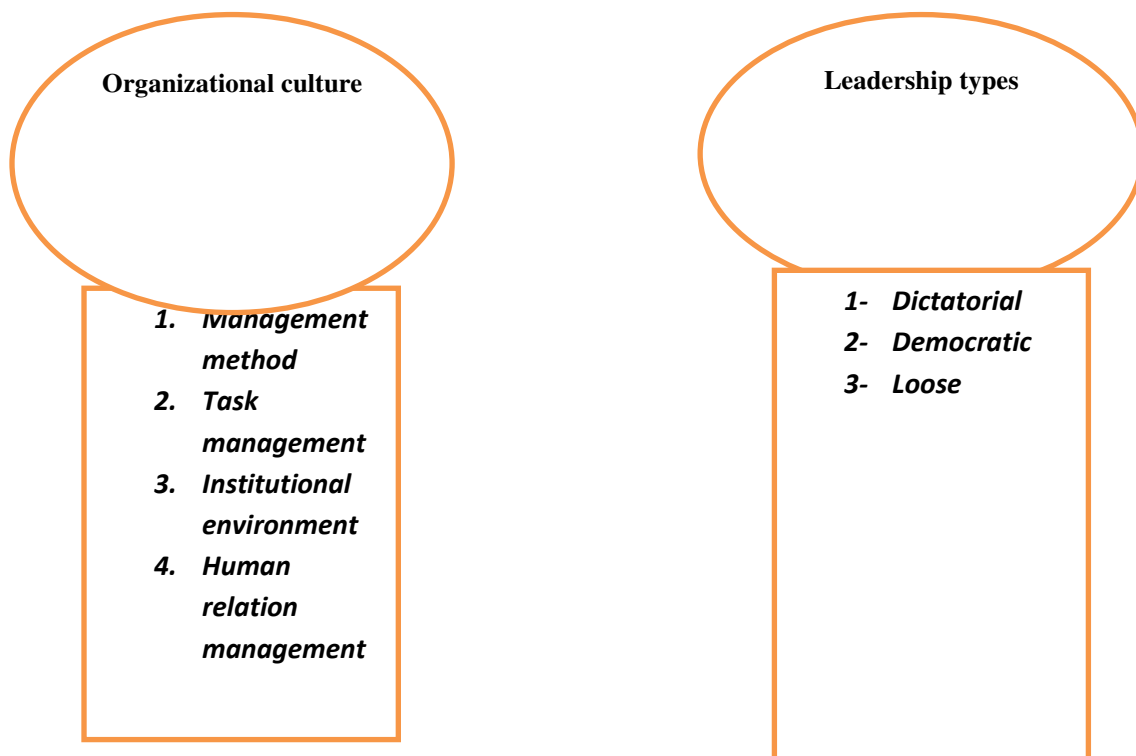
The importance of this search is derived from the importance of both organizational culture and managerial leadership as they are both the most important issues in the field of business administration and organizational behavior.

Research hypothesis:

This research aims at choosing the following hypothesis:

- There is no static impact between management methods and leadership
- There is no static impact between task management and leadership
- There is no static impact between institutional environment management and leadership

Research sample



Organizational culture

Meaning:

Anthropologists, socialists and human behaviorists provide multi perspective explanations which are sometimes featured with independence, interaction and integration. The researchers and learners of both organization and general management and the various specializations resulting from them, and through studying organization culture each according to his visions, hypothesis and type and level analytical methods, all this led to the variety and multiplication of understanding organizational culture and types thereof. 1

Organization culture is considered one of the major elements in explaining organization behavior, leadership, management, teams, groups, managers, human resources and people who deal with it; such as parties interested in its business. Culture has anthropological and social origin. This means that culture meaning, roots and various components, especially values, beliefs, hypothesis and symbols are related to human study, his strains, generations, desire, and readiness, thinking, living trends and choosing whether to live solely or collectively in the form of primary communities; which are called primitive communities, or other Bedouin, then rural and urban communities. Communities' history professionals find that each has its own cultural formula, slogan, rituals, symbols and special sanctities which they had been forming, developing and rooting and teaching from one generation to another, as well as defending such as solid values and beliefs. This happened until culture became an expression of identity, ideology, and doctrine. It is the behavior determiner and director, accepting, rejecting, encouraging and supporting it. Thus, we can say each nation has civilization, society, a generation and culture which distinguish it from others. Thinkers used various kings of languages as a method to understand, analyze and converse cultural as well as spreading and deepening its principles to become a custom and tradition, then it begins to entrench values, beliefs and hypothesis. Moreover, it almost participates in forming the cultural mind in past, present and future until defending and protecting culture is the secret of human life continuity with all its trends and components. This had given light to various meanings of culture including opposites and contradictions, on the one hand, and commons and integrations, on the other hand so that all declare the special culture derived from the general culture. 1

It is fair to say that upgrading culture awareness and understanding depend on fictionists, historians, writers, philosophers and scientists; each has his own perspective in studying culture horizontally and deeply. This issue was discussed and presented intensively and in different forms by such thinkers to build the self and subject knowledge by using heritage, modern and current cultural methods. Since culture is an anthropological-social complex phenomenon of multiple dimensions, any sub cultures derived from it, such as organizational culture, has the same complexity and variations of dimensions and components. Variety, in regard of organizational

culture definition, means organization and management and the accomplished studies and searches in this field, up to examination and investigation of commons to find a clear and define conception featured with accuracy of analysis and understanding. Therefore, the most important matter for searchers and learners in describing organization culture is mainly focused on independent and interacted values and beliefs. Below are some opinions, for example not limitation.

Organization culture types:

Organization culture has different shapes and forms; yet it presents the explanation of its inner and outer composition which is connected to the organization self, individuals and environment as well as its ability for orientation with environment, differentiation between levels, determination of dominant priorities, degree of ascending accumulation and the included cultural types. Based on that, organization culture varies as per its classification and analysis bases. 3

In consideration of organization dominating cultural values and managers who consider external environment, in addition to organization strategy and objectives, studies had suggested that the right coherence between culture, strategy and environment is linked to four cultural categories or types; which are mainly based on two aspects:

- a. Scope of environment flexibility or stability
- b. Scope of organization strategic focus is internal or external.

Interaction of the referred two aspects results in four kinds of organization culture: 1

1. A culture capable of orientation:

It is the culture which supports organization ability to explain environment signals and challenges and translating them into new behavioral responses. This culture emerges in an environment which requires quick response and where decision is taken with great risk. Managers support the values supporting organization ability to ensure quick exploration of environment signals and challenges, explaining and transiting the same into new behavioral responses where employees are independent in their decisions and free in their actions to meet new needs and requirements as well as high quality responding to clients. Besides, managers are effective in creating change through encouragement, support, remunerations, creativity honoring, application and risk-dealing method. 2

2. Accomplishment culture:

It is result directing culture; its function is the competitive values, and its principle is individual and accomplishment. It is proper for organizations which serve certain category of clients in external environment; yet there is no need for flexibility and speedy change as it a culture directed by results as for competitive, hostile values, individualism, long term work management and solitude to achieve the results. We must here emphasis on winning and accomplishing certain objectives and ambitions in The Glue which the organization holds together. For example, Siebel system, which means sale of complex software system, is mainly derived from accomplishment culture.

3. Connection culture:

It is the culture which sets higher values to meet employees' needs and cooperation and unit end values. It focuses on the internal as for extent of employees' connection and participation to ensure quick meeting the variable needs in environment. It sets higher values to meet employees' needs and make creativity prevail the organization. Thus, managers emphasize on cooperation value and building consideration for employee and clients, avoiding and overcoming position differences. For example, Coca Cola works to spread connection culture as one of its success components 3.

4. Harmony and stability culture:

It is the culture where values and remunerations are systemized, rational and regular to do things. Stability culture is represented, where internal focus is a fixed trend in stable environment, rules and values are followed, culture is supportive and remunerations are systemized, rationale and managed on regular bases to ensure performing works. Business world witnesses speedy change, as we find few companies working in stable environment. Most managers tend to change their culture and become more flexible especially when they work in changeable environments or where changes occur therein. However, they seek renewing organization as stability culture is believed by all organization departments, yet it requires little balance between fixed and changeable cultural items. Besides, it requires control and care for environment needs as well. 1

Organization culture classification: organizational culture is classified in three groups as follows:

- a. Group of basic values and beliefs, understandings and common customs among organization members 2.
- b. Common values: They are the common solitude value and convictions in employees' minds and hearts which have vital role in linking employees to the organization together and provide them with accomplishment strong motives. 3
- c. Idea (Cummings & Worley, 1993): the organization culture includes (Hellriegel et al, 1998) routine behaviors, customs, dominating values, organization directing philosophy, game rules, emotions nature or organization environment.

Leadership concept:

Leadership gained special interest due to its role in life and surviving. Writings which tackled leadership had referred to the emerging need for leadership since human societies begin. Then, such need increased after the emerging of formal and informal regulations and organizations. This fact is the reason for diverging in this chapter to pave the way for presenting leadership concept, inputs of its study, bases and importance for modern organizations and its relation to managerial process and principles thereof. 1

Leadership is affecting others and directing their efforts to achieve the leader's goal. From organizational point of view, leadership is affecting individual and group to direct them towards achieving organization goals and objectives. Leadership focuses on human aspect and the assumption that organization efficiency is basically depending on motivating employees and gathering their efforts and using their capacities. During practical school period, managers focused on physical conditions and neglected the human aspect of the organization. Thus, this resulted in decrease of productivity and employees' morale. Employees became isolated from organizational loyalty. However, during human relation school period, focus is only given to motivation, individual and group importance for the organization success. This had resulted in admission of leadership affectivity as an important factor of organization efficiency as the manager, through his leadership role, can encourage and motivate employees to perform their duties with desire, cooperation and enthusiasm to accomplish the company's goals.

Leadership styles

1. Tyrannical leadership (authorization)

This style is sometimes called authorization or autocratic leadership as derived from Latin terms. This leadership philosophy goes back to the beginning establishment of communities in ancient ages, when powerful man enslaves the weak to serve him. The strong tribe controls the weak ones, and the strong state occupies statlets. This is the same case on individual level; we can take the story of Cain's killing his brother Abel story as an example of such authorization. This is in addition to the authorization of Hajaj Bin Youssef or the authorization of Qurish tribe over other Arab tribes, as well as dominance of previous colonial countries such as Britain, France, and others over weak states at that time, which remained until modern ages. Besides, through feudality age, master and slave idea dominated until the industrial revolution where management was controlled by the ideas of management traditional school as they were under the scope of autocratic leadership beliefs. It viewed worker as part of the machine and only a production element.

Autocratic leadership philosophy is launched from autocratic leaders' belief that they must oblige worker to perform work according to their formal authority issued by organizational regulations and laws. They believe that they must enact and use such laws as methods to control and press workers to achieve organization goals. Hence, the autocratic leader has abuse behavior which is based on threatening, menacing and punishment. Thus, such leader usually does not care for and neglect workers' opinions.

Loose leadership

Sometimes it is called free or messy or undirected or non-intervene leadership. All terms are derived from the Latin term *Laissed Faire* Leadership. This leadership philosophy emerged as a reaction to autocratic leadership. Some thinkers believe that as long as the leader can be autocratic, he can also be easy. Therefore, loose leadership is contradicted to autocratic leadership. The philosophy of loose leadership is based on that as long as the leader – in autocratic leadership – tends to control individuals and impose them to execute his orders and instructions, loose leadership must be fully adopted, especially after failure of autocratic style.

2. Common (cooperation) leadership

It is called Democratic or Participative Leadership. It emerged because the autocratic leadership had frozen ideas and paralyzed development and creativity. Besides, loose leadership resulted in wide spread chaos due to

objectives and desires contradiction as well as leader's abandonment of his role in direction and guidance. Participative leadership emerged as a solution for this problem as both previous styles of leadership were extreme. The leader, in Participative (cooperation) leadership, leaves open communication channels for workers and give them full trust, and thus they participate in decision making and encourage them to express opinion to serve the group. This leadership trends based on emotions appreciation and needs fulfillment, respecting thoughts and in belief of the importance of consistency between employees' and organization's interests. 1

Kanaan refers that common leadership has three main pillars: establishing human relations between leader and his followers, employees' participation in some leadership tasks, authorizing power to employees in the way that serves the organization and help accomplish its objectives. We can summarize the most important features of this leadership style as follows: 1.

1. The leader should care for employees' feelings and develop human relations among them.
2. The leader should make employees take part in decision making due to the great trust in them.
3. The leader should persuade his employees instead of obliging them. Subsequently, he shows respect and interest in their work persuasion.
4. The leader should develop employees' independency and let them take part in work, and thus activity will be wholly not partially.
5. The leader should have flexibility and orientation; as he should let employees participate in both power and responsibility.

In this chapter, the researcher presents questionnaire form which was designed in previous phase, then distributing and collecting it and performs static analysis on SPSS program and representing and explaining the same in the form of tables. This is in addition to analyzing and explaining hypothesis which were previously set in the first

Results analysis

Study community consists of the employees working in Islamic Kuwaiti banks, who represent various job positions (executive manager, managing manager, vice manage, division head and supervisor); they reached 2900 total male and female employees. The study depended on the class random sample; then total sample volume was statically determined as total number of sample reached 95 individuals. Then, the required sample was selected from each class randomly in consistency with sample volume in original study community.

Study sample:

Kuwait International Bank, Boubyan Bank and Kuwait Finance Bank were selected. They were chosen due to the apparent emergence of centralism. Total employees in Kuwait internal bank are 500 male and female employees, 80 of them are in supervising and leading positions, while 400 employees work in Boubyan Bank, 60 thereof are holding supervising and leading positions. 2000 employees are working in Kuwaiti Financing bank, 120 thereof are holding supervising and leading positions according to numbers statistics.

Hypothesis test

Results related to study first assumption which states that: there is a static correlation function at ($\alpha \leq 0.05$) level between organizational culture and leadership.

To verify first study assumption, Pearson Correlation Coefficient was used to reveal the correlation between dimensions of organizational culture measures, on the one part and its connection to leadership, on the other part. Table 10 shows analysis results.

Table (1)

Results of correlations' values to reveal relation between organizational culture dimensions and leadership

| Organizational culture measures dimensions | Leadership | | |
|--|-------------|----------------------------|------------------|
| | Correlation | Explained difference ratio | Indication level |
| Management method | **0.86 | %74 | 0.01 |
| Task management | **0.84 | %71 | 0.01 |
| Human relations | **0.90 | %81 | 0.01 |
| Work environment | **0.89 | %79 | 0.01 |
| Total mark | **0.93 | %87 | 0.01 |

** : It indicates 0.01 level

The previous analysis results explore the following:

6. There is positive correlation of static indication between management method, on the one hand and leadership, on the other hand. Correlation value reached 0.86 which is a static indication at $0.01 \leq \alpha$ level. Results refer that correlation value in regard of management method had explained 74% of leadership difference. This indicates the importance of management method and its role in developing leadership.

7. There is positive correlation of static indication between task management, on the one hand and leadership, on the other hand. Correlation value reached 0.84 which is a static indication at $\alpha \leq 0.01$ level. Results refer that correlation value in regard of task management had explained 71% of leadership difference. This indicates the importance of task management and its role in developing leadership.

8. There is positive correlation of static indication between human relations, on the one hand and leadership, on the other hand. Correlation value reached 0.90 which is a static indication at $\alpha \leq 0.01$ level. Results refer that correlation value in regard of human relations had explained 81% of leadership difference. This indicates the importance of human relations among employees and its role in developing leadership.

9. There is positive correlation of static indication between management work environment, on the one hand and leadership, on the other hand. Correlation value reached 0.89 which is a static indication at $\alpha \leq 0.01$ level. Results refer that correlation value in regard of management work environment had explained 79% of leadership difference. This indicates the importance of management providing proper and sound work environment which has a positive impact on increasing efficiency of leadership style of the employees.

10. There is positive correlation of static indication between management organizational culture, on the one hand and leadership, on the other hand. Correlation value reached 0.93 which is a static indication at $\alpha \leq 0.01$ level. Results refer that correlation value in regard of management organizational value had explained 87% of leadership difference. This indicates the importance of organizational culture and its positive impact on increasing the efficiency of leadership style of the employees.

Thus, the researcher believes that the reached results indicate the efficiency of organizational culture of the employees in governmental or private institutions and organizations, which develops the leadership aspect, through which the leader shall reach the implicit and explicit motives of his employees and attempt to meet their needs and invest their most potentials to accomplish the intended change by ensuring the availability of all valid management organization aspects and the extent of practicing all responsibilities correctly and how far and method of accomplishing such objectives.

The results of such of this study are in conformity with the study of Abdullah Thabet Farhan (2007), which indicated that there is a positive relation between organizational culture aspects (management method, task

management, human relations management and institutional environment management) and managing employees behavior (accomplishment, loyalty and performance).

Besides, results of this study are constituent with (2003)Huang, Kuo-Kuang and Chen, Li Yueh 2004 studies, which aimed at recognizing the impact of employees' recognition of their organizational responsibilities and loyalty and the importance of leaders' direct or indirect influences on their employees, whether through interaction with them or the organizational culture. The results referred that there is a positive correlation between leadership transformative behaviors, organizational loyalty and organizational culture.

Results related to second study assumption which states that: there is a correlation of staticfunction at $(0.05 \leq \alpha)$ level between organizational culture and leadership for both males and females.

To verify assumption of second study, Pearson Correlation Coefficient was used to reveal the correlation between organizational culture dimensions, on the one side, and its connection to leadership, on the other side subject to sec variable. Table 2 explores analysis results.

Table 2
Results of correlations' values to reveal correlation induction between organizational culture measure dimensions and leadership for both males and females

| Organizational culture measure dimensions | Males | | Females | |
|---|-------------|----------------------------|-------------|----------------------------|
| | Correlation | Difference explained ratio | Correlation | Difference explained ratio |
| Management method | **0.78 | %60.8 | **0.71 | %50.4 |
| Task management | **0.75 | %56.3 | **0.68 | %46.2 |
| Human relations | **0.81 | %65.6 | **0.70 | %49 |
| Work environment | **0.79 | %62.4 | **0.73 | %53.3 |
| Total mark | **0.84 | %70.6 | **0.78 | %60.8 |

The results of the above correlations indicate that there is a positive relation of staticfunction between leadership, on the one part and organizational culture dimensions, on the other part for both males and females. The above table shows that correlations values of study sample male responses are greater than females; as sample male responses' measure was 0.75-0.84; and all of which is at $0.01 \leq \alpha$ level. As for sample female responses, results indicate that correlations values were 0.068-0.78 and all are static function at $(\alpha \leq 0.01)$.

Total results indicate that males are more leading than females. Researcher's explanation for this result is related to the difference between man and woman in regard of leading style; as woman often tends to Partipitive method compared to man. This is due to two reasons: the first is related to the attempt of leading woman to overcome the hidden refusal of her authority as leader; which is contrary to the general perception that the leader must be a man. The second is that woman is more capable of developing better human relations in the organization. This is in addition to the fact that organizations prefer recurring women in positions which reflect woman social roles. Most of these positions, as believed in regard of social roles, are inferior; in terms of power sources. This makes women weak and unable as outside the organization and subsequently changes the negative perception of leading woman.

This result is in agreement withHuang, Kuo-Kuang (2003) , Chen, Li Yueh (2004), and Mona Rshid Al Ghes (1997) studies.

Recommendations:

In light of the study concluded results and field application procedures' conditions, the researcher had set some recommendations as follows: (Abdullah Farhan 2007)*:

11. It is necessary to acknowledge organizational culture concept as an administrative term by managerial leaderships since they are important bases of either success or failure of the managerial organizations.

12. Managerial leaderships should create effective organizational culture through finding apparent administrative policies derived from the managerial reality and contribute to drawing the organizational map of the management and sets managerial values of organizational culture.
13. Managerial leaderships must establish and solidify dimensions and values of the organizational culture through forums, meetings and celebrations and providing good behaviors by the high leaderships to be adopted by managing employee. This is in addition performing training courses which aim at enhancing effective values and getting rid of corruptions.
14. Managing leadership must give effect to the role of HR Department as it is responsible for establishing strong organizational culture since HR is responsible for human cadre.

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