THE EFFECT OF LEADERSHIP STYLES AND
ORGANIZATIONAL CULTURE ON
ORGANIZATIONAL PERFORMANCE OF THE PUBLIC
SECTOR IN SAUDI ARABIA

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THE EFFECT OF LEADERSHIP STYLES AND ORGANIZATIONAL CULTURE ON ORGANIZATIONAL PERFORMANCE OF THE PUBLIC SECTOR IN SAUDI ARABIA

By
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Abstract

In Saudi Arabia, public organizations have been associated with poor management and performance. Little is understood about the reasons behind such poor performance. Therefore, this study examined the effect of organizational culture and leadership styles on the performance of Saudi Arabia’s public organizations, through the mediating factors of organizational commitment and job satisfaction. In this quantitative research, cross-sectional data of 400 employees working in 16 ministries of the Saudi Arabia government were obtained. The Partial Least Squares Structural Equation Modeling (PLS-SEM) was applied to test the hypotheses. The validity and reliability of the measurement and the structural models were confirmed. Findings showed a full mediation effect of organizational commitment on the relationship between organizational culture and organizational performance, but organizational commitment was found to partially mediate the relationship between leadership styles and organizational performance. No mediation of job satisfaction was found on the relationship between leadership styles and organizational performance and on the relationship between organizational culture and organizational performance. The findings add to the existing literature by integrating the factors that could enhance organizational performance. Based on the findings, the study recommends that public organizations in Saudi Arabia improve their organizational culture and appoint managers who have transactional and transformational qualities. By doing so, employee commitment is enhanced, which leads to a positive and significant impact on organizational performance. The implications for practice and for future research are also discussed.

Keywords: leadership style, organizational culture, organizational commitment, job satisfaction, organizational performance
Abstrak


Kata kunci: gaya kepemimpinan, budaya organisasi, komitmen organisasi, kepuasan kerja, prestasi organisasi
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CHAPTER ONE
INTRODUCTION

1.1 Background of study

Public sector organizations in the developing countries seek to introduce changes and improvements to enhance their level of performance. It is clear that these organizations are continuously looking for new ways and methods of development, especially in the administrative aspects, which can assist in achieving effectiveness and efficiency (Al-Qhatine, and Al-Methheb, 1999). Throughout history, both developed and underdeveloped countries adopt change to achieve economic development. To achieve economic development, various countries bring transformation in the ownership of organizations; many countries adopt privatization like the UK government, which has been recognized as the pioneer in privatization practices. However, many developed and developing countries emulate British privatization, albeit adapting to alternative approaches. These countries include France, Italy, Portugal, Spain, Holland, Denmark, Finland, Austria, Turkey, Egypt, USA, Canada, Mexico, Jamaica, Chile, Brazil, Japan, Malaysia, New Zealand, Kenya and South Africa. Although the number of enterprises sold in developing countries is not large, the process is moving at a fast pace. However, little is known about the implementation of organizational change in a public sector context (Kuipers & Groeneveld, 2013). To improve the organizational performance in public and private sectors, the techniques and underlying philosophy of New Public Management (NPM) has replaced the old public management; it has been accepted and implemented in both developed and developing countries. The fundamental concept of NPM is the conviction that the public sector should utilize the practices of the private sector.
The contents of the thesis is for internal user only
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