LEADERSHIP STYLES, ORGANISATIONAL CULTURE AND MANAGERIAL EFFECTIVENESS: THE MODERATING EFFECT OF ISLAMIC WORK ETHICS IN SAUDI ARABIA PUBLIC SECTOR

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By
MANSOUR MOHAMMAD ALHARBI

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School of Business Management,
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in Fulfillment of the Requirement for the Degree of Doctor of Philosophy
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ABSTRACT

The present study investigated the relationship between leadership styles and managerial effectiveness in the context of the public sector of Saudi Arabia. It also examined the relationship between organizational culture and managerial effectiveness and the moderating effect of Islamic work ethics on the leadership styles, organizational culture, and managerial effectiveness relationship. The study was motivated by the inconsistent findings in the literature on the relationship between leadership styles, in particular transformational and transactional leadership styles, and organizational culture, Islamic work ethics, and managerial effectiveness. These inconsistencies led to a new stream of research that indicates the importance of examining the effect of potential moderating variables that could clarify such relationship. For this purpose, the study took different theories into consideration including the contingency theory and the role-motivation theory of managerial effectiveness in order to map and position the potential relationships between the variables within the conceptual framework. The questionnaire was randomly distributed to 357 middle managers in the Saudi public sector firms for data collection, and of the 321 which were returned, 295 were deemed usable for actual data analysis using PLS-SEM. The direct and indirect relationships between the variables were analyzed by using correlation and hierarchical regression analyses. The findings showed that transformational leadership, transactional leadership and organizational culture positively and significantly predicted managerial effectiveness. Furthermore, the findings supported the moderating effect of Islamic work ethics on the relationship between transactional leadership, organizational culture, and managerial effectiveness, but not with transformational leadership. The study offers managerial, policy and theoretical implications and recommendations for future study.

Keywords: leadership styles, organisational culture, managerial effectiveness, Islamic work ethics, Saudi Arabia
ABSTRAK


Kata kunci: gaya kepemimpinan, budaya organisasi, keberkesan pengurusan, etika kerja Islam, Arab Saudi
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In the name of ALLAH, the most gracious, the most merciful. Praise be to ALLAH, the creator and custodian of the universe. Salawat and Salam to our Prophet Muhammad, peace and blessings of ALLAH be upon him and to his family members, companions and followers.

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<td>AVE</td>
<td>Average Variance Extracted</td>
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<tr>
<td>CMV</td>
<td>Common method variance</td>
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<td>PhD</td>
<td>Doctor of Philosophy</td>
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<td>GDP</td>
<td>Gross Domestic Products</td>
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<td>IND</td>
<td>Individualism</td>
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<td>IGFW</td>
<td>Inviting for Good and Forbidding From Wrong</td>
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<td>IWE</td>
<td>Islamic Work Ethics</td>
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<td>LPC</td>
<td>Least Preferred Co-worker</td>
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<td>LTO</td>
<td>Long-Term Orientation</td>
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<td>MEF</td>
<td>Managerial Effectiveness</td>
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<td>MAS</td>
<td>Masculinity</td>
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CHAPTER ONE
INTRODUCTION

1.1 Introduction

In the new edge, the pursuit of nation survival and sustainable competitive advantage has been a big concern that is at the heart of the globalization phenomenon. To survive and to compete in the future, a public sector plays vital role as engine of the nation, largely depends on good management practices and governance. The public sector plays a significant contribution in economic growth. The basic principles of good management and governance of public sector are dependent on how far the organization has been effectively managed by managers, organizational culture and Islamic work ethics engaged. The challenges of globalization have greatly increased the pressure for better public sector service for competitive advantages as noted by Lodge (1995) of the Harvard Business School, is forcing convergence around the most competitive practices ensuring global competitiveness and attracting investments, and therefore Saudi Arabia’s public sector has to be world class and fulfil international benchmarks of performance.

In global challenge, a nation must be ready to compete and survive with other nations from around the world regardless socio-geographic located. In the same vein, the public sector must play significant role to be vibrant in global environment. A public sector rely on to the what extent the public managers are able to effectively manage the resource in a dynamic and turbulent economic scenario. Among the fundamental issues are the principle managerial factors which effect managerial effectiveness of manager (Farhad, Abdulla & Nada, 2009; Wang, 2010). On the other hand, Sharma
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