

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.