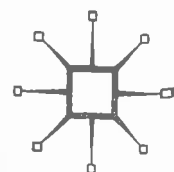


Culture and Gender in Leadership

Perspectives from the Middle
East and Asia

Edited by J. S. Rajasekar
and Loo-See Ewe



Culture and Gender in Leadership

Perspectives from the Middle East
and Asia

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Transformational Leadership in the Saudi Arabian Cultural Context: Prospects and Challenges

Sami A. Khan and Deepanjana Varshney

Introduction

Leadership has become the key issue in managing organizations, societies, and entire nations. The emerging business and economic environments have forced organizations to be flexible, adaptive, entrepreneurial, and innovative in order to effectively meet the changing demands of the present-day business environment (Orchard, 1998; Parker & Bradley, 2000; Sarros, Cooper, & Santora, 2008; Valle, 1999). Adopting and sharpening these virtues is not possible without a transformational leader who can fix the jigsaw puzzle and influence others to achieve greater goals. A plethora of literature has investigated leadership issues in recent times, and the importance of leadership has achieved a distinct reference in terms of managing organizations and sustaining the pace of change. Leaders provide vision to achieve goals, and followers feel contentment because they have a vision of a better tomorrow with the help of their leader. Despite so much being written about transformational leadership, there is a dearth of country- and region-specific research, especially in the Middle Eastern and Arab regions. The national leadership dimension is being redefined, and the new meaning of leadership is being developed. Against this background, this chapter is an attempt to understand the dynamics of transformational leadership and its relevance for Saudi managers. The Kingdom of Saudi Arabia (KSA) consented to World Trade Organization in 2005, and it aspires to become one of the world's ten most competitive economies. However, it is not possible to achieve this without

having a set of transformational business leaders who can put their energies into achieving that goal.

Emerging views about transformational leadership

The concept of leadership has achieved significant importance, and most business schools are teaching their students to be leaders and not managers. A large volume of literature about leadership that has emerged in recent years is confusing and contradictory (Robbins, 2005). There have been many schools of thought on leadership, from the trait theorists to behavioural, contingency, and charismatic theorists. Ethical leadership and cross-cultural leadership are additional types that add to the confusion. As defined by Boleman (2008), leaders are given the opportunity to lead not because they are appointed by senior managers but because they are perceived and accepted by followers as leaders. Thus the acceptance and readiness of followers is the key leadership attribute. Riaz and Haider (2010) also rightly claim that a leader is responsible for not only leading but also providing followers with the tools that are needed to accomplish the organizational goals. In the event that a leader is unable to provide adequate information or resources, a conflict may arise rooted in distrust and demotivation. They believe that a leader's role is very delicate, and every action or decision must be strategic. Leaders can anticipate future likelihoods and plan alternative strategies to meet uncertainties. Such traits are common in historical leaders. This sense of anticipation is believed to be innate and cannot be learned. A strong leader must have self-confidence and must be able to listen, consult, involve, and explain why and how things should be done. Sheetz-Runkle (2011) claimed that boldness, decisiveness, commitment, authority, conviction, and right decision making are qualities that influence self-confidence.

The behavioural school of leadership advocates that leaders are not only born but also made. Certain behaviours can be learnt and one can be a leader by demonstrating those behaviours. Worldwide organizations train their managers and enrol them in development programmes to master those behavioural dispositions and acquire those leadership attributes. Schwartz, Jones, and McCarthy (2010) found that these organizations build their leadership programmes around competency models, which include a list of core skills that they expect their leaders to cultivate to become effective in this role. Leadership has to be taught and attributes need to be acquired. Organizations need employees who can be moulded into leaders who can influence others to complete tasks

and follow the mission of the organization. Leaders are also able to empower followers by "making key behaviours automatic" (Schwartz et al., 2010). They must embrace the importance of change and treat their employees better in order to thrive in a global and competitive society. Kouzes and Posner (2003) believed that in a highly competitive and rapidly changing environment, caring and appreciative leaders are the ones to bet on for long-term success. These attributes allow leaders to relate to employees and encourage them to achieve their goals.

Leadership and vision are synonymous. Leadership in the workplace is about having vision and being able to transform it into action by influencing others to perform at higher levels and promoting the importance of organizational and interpersonal citizenship behaviours. According to Jago (1982), leadership is expressed or displayed through interaction among people and necessarily implies its complement: followership. For one to be able to exert an influence, another must permit themselves to be influenced. In fact, leadership is defined as an ability to influence followers. In the organizational context, managers do that using their authority or legitimate authority, which empowers them to delegate work to others. Managers also do that by influencing their subordinates through rewards. In that respect, transactional leadership styles involve motivating followers through the exchange of rewards, praise, and promises. Ivey and Kline (2010) characterized the transactional leadership by leader-follower exchanges, whereby leaders exchange things of value with followers to advance both the leaders' own and the followers' agendas. Xirasagar (2008) contended that three subscales could be used to assess the transactional leadership. These are contingent reward, management-by-exception (active), and management-by-exception (passive). Vecchio, Justin, and Pearce (2008) have emphasized the importance of transformational leadership over transactional leadership. They believe that Bass and his associates' views about morality relative to transformational and transactional leadership suggest that transactional leaders would be expected to engage in unethical practices more so than transformational leaders. A leader's ethical values may play a particularly strong role in influencing followers' satisfaction with them. It makes transformational leadership more appealing for effective managers.

Transformational leadership, which is also referred to as charismatic leadership, inspires followers to transcend their own self-interest for the good of the organization. These leaders are capable of having a profound and extraordinary effect on their followers (Robbins, 2005). Conger and Kanungo (1998) identified a few key characteristics of these

leaders, indicating that they have vision and clearly articulate it, they take personal risk, they are sensitive to the followers' needs and the environment's needs, and they show unconventional behaviour. Jung, Chow, and Wu (2003) argued that transformational leadership could also enhance innovation by engaging employees' personal value systems (Bass, 1985; Gardner & Avolio, 1998) and thereby increasing their levels of motivation by encouraging them to think creatively. Thus transformational leadership appears to be a sure success recipe for business leaders. Rhodes, Walsh, and Lok (2008) stated that while leaders initiate and drive organizational change, they manage change only with the help of other change agents. These operate with different change skills and competencies, depending on the particular requirements and circumstances. Pounder (2008) explained interlinkages of transformational leaders with their followers. He found that the effect of transformational leadership on subordinates rests on three leadership outcomes:

- the ability of the leader to generate extra effort on the part of those being led;
- the subordinates' perception of leader effectiveness;
- the subordinates' satisfaction with the leader.

What factors influence the performance of these transformational leaders? Are the contextual factors as important as the attributes of the leaders? When exploring the conditions under which transformational leadership affects the performance, the findings show that transformational leadership relates to the followers' identification with the work unit and self-efficacy, which interact via efficacy to predict individual performance, thus representing a moderated mediation effect (Walumbwa, Avolio, Gardner, Wernsing & Peterson, 2008). Franken, Edwards, and Lambert (2009) found that business leaders are under constant pressure to comply with their demands while maintaining the organization's competitiveness in increasingly complex markets. In such a situation the effective transformational leaders are able to motivate, empower, and build healthy relationships with their peers throughout an organization. Walumbwa et al. (2008) hold the view that over the last decade a considerable amount of research has been undertaken to understand the processes by which transformational leadership positively relates to followers' attitudes, behaviour, and performance. Vecchio et al. (2008) also found that the proposed association of transformational and transactional leadership

has been one of augmentation. The augmentation hypothesis argues that transformational leadership significantly predicts leadership criteria after controlling for transactional leadership. In other research, Podsakoff, MacKenzie, Moorman, and Fetter (1990) propose six factors which are important for transformational leadership. Transformational leaders

- articulate a vision of the future;
- provide an appropriate role model;
- foster the acceptance of the goals;
- set high performance standards;
- provide individual support;
- provide intellectual stimulation.

It is important to differentiate between transformational and transactional leadership (Bass, 1985; Keeley, 1995). Transformational leadership looks forward to followers, and it achieves superior performance by transforming followers' values, their attitudes, and their motives from a lower to a higher plane of arousal and maturity (Bass, 1985). Banerjee and Krishnan (2000) studied the ethical decision making of transformational leaders and did not find support for the commonly held assumption that transformational leaders are necessarily ethical. However, transformational leaders can be very effective ethical leaders (Keeley, 1995). Burns (1978) believed that transformational leadership is more concerned with end values, such as equality, liberty, and justice, than with means values. However, insufficient attention to means can corrupt the ends. In the Saudi context, a high value-based leadership is highly relevant. KSA is an Islamic country and there is no denying that sociocultural factors play a very important role in this respect (Khan, Al-Maimani, & Al-Yafi, 2012). Islam emphasizes leadership and advocates practising value-based leadership to maximize the benefits for society. The Prophet Muhammad is revered as the greatest leader and role model that humanity has seen. The Quran (33: 21) declares: "The messenger of God is an excellent model for those of you who put your hope in God and the last day and remember him often". John Adair (2010), in his book entitled *The Leadership of Muhammad*, evaluates the leadership of the Prophet Muhammad and highlights his extraordinary qualities as one who transformed Arabia and much of the world with his teachings and actions. In the introduction of his book (2010:1-2) he wrote:

For Muslims, the first and original leader is God, and all are bound by their faiths to obey God's law. Thus, any leader of any

organization – business, political or religious is also first and foremost a follower of God. This fact imposes limit on Islamic leaders, and defines their duties to the people they lead. In Islamic thought, model leaders were [sic: are] simultaneously both exalted and humble, capable of vision and inspiration, yet at the same time dedicated to the service of the people.

Islam teaches an individual to be a responsible human being who is concerned about their society, community, and environment. It also informs them how businesses should be carried out and prohibits certain businesses. Ethics and religion go hand in hand in Islam (Khan et al., 2012). Business leaders in an Islamic context are supposed to adhere to these norms, and their success depends not only on achieving the end but also on the means that they adopt. Thus in the Saudi context, leadership in organizations is a huge challenge in terms of balancing the means and the ends. Therefore ethical leadership issues become dominant. The Saudi business environment and its culture play an important role in shaping the relevant leadership qualities among managers. The following paragraphs discuss three dominant dimensions of leadership that have a profound effect on the leadership attributes of Saudi managers, their value system, and the cultural context, as well as the effect of Islam in shaping managerial attributes.

Leadership and the value dimension: Its relevance for Saudi managers

Western awareness of the Arab world, including the KSA, jumped sharply with the oil boom in the early 1970s, and those who entered the region found a “strange” and “different” world. Several stereotypes of Saudis developed, including the one of persons lacking individuality controlled by fatalism and not concerned with rational economic issues (Czinkota, Rivoli, & Ronkainen, 1989). The cultural milieu shaping the mentality and behaviour of the Saudis is a unique blend of Islam mixed with Arab traditions (Bjerke & Al-Meer, 1993). The Arab culture has tribal, Bedouin, and colonial influences, which shape its cultural context. The tribal culture emphasizes family networks, personal relationships, and connections. Arnold, Palmatier, Grewal, and Sharma (2009) claimed that it is important to understand the values such as shame, avoidance, the importance of image, religion, and Arab cultural pride in order to appreciate how leadership assessment and development are practised in the Middle East (Arnold et al., 2009). Thus we find that these factors have a great effect on understanding the relevance of

leadership effectiveness in the KSA as well. The leader must understand the culture milieu and its nuances to let their followers feel comfortable and believe in their dream or vision. As we know, transformational leadership is a style of leadership that transforms followers by stimulating them to go beyond self-interest by altering the followers' morale, values, and ideals, and motivating them to achieve the abovementioned expectation (Bass, 1985; Yukl, 1999).

Most of the value research has been conducted in Western countries with only limited investigation of managerial values in the developing nations. Empirical research and information about managerial practices or the ways in which managers plan, organize, staff, direct, and control in the Arab world are scarce (Murrell, 1979). Most writing about Saudi Arabian values reflects Arab values. Equality and basic human values are central to Islamic teachings, and Islam discourages discrimination based on class and socioeconomic status (Syed & Ali, 2010). The Quran says: "O believers, be your securers of justice, witnesses for God. Let no detestation for a people move you not to be equitable, be equitable that is nearer to the God-fearing" (Quran, 5: 8). These values are innate and they are seen as a prerequisite of a good leader in an Islamic context.

Al-Wardi (1951) argued that in the Arabian culture there is a manifestation of two value systems: the ancient values of a sedentary population on the one hand and Bedouin values on the other. Muna (1980) and Polk (1980) suggested that Arabs (modern and traditional) have an inner similarity and share certain values despite the obvious differences in the economic and political attainment of their peoples. However, Ali and Al-Shakis (1985) in their study stressed that value differences do exist even within certain groups (managers) across demographic variables. Thus personal and organizational backgrounds influence working values. Their study also brought forward the finding that Arabian managers are not homogenous in their value systems (Ali & Al-Shakis, 1985). The KSA is an Islamic country with civil and criminal laws based on Shariah law. Saudi values are based primarily on the country's Islamic and nomadic heritage (At-Twaijri, 1989). Ali and Al-Shakhis (1990) reported that Arab managers generally display strong commitment and attachment to work. They also show commitment to the Islamic work ethic and a moderate tendency towards individualism (Ali, 1992). In sum, the Saudi Arabian culture is strongly influenced by Islamic teachings and by the nomadic roots of those teachings (Anastos, Bedos, & Seaman, 1980). Asaf (1983) found that Saudi managers give priority to friendships and personal considerations over organizational goals and performance.

In a study on managers' perception of the significance of the goals of the organization, which they feel should be pursued, it was found that Saudi managers at various levels in an organization share the same values with the exception of marital status (Hunt & At-Twajri, 1996). Talley (1993) argues that a manager's personal values greatly influence their decisions regarding which organizational goal(s) to pursue. Moreover, these values may include the correct setting of priorities as well. These goals/priorities were chosen because previous researchers had demonstrated them to be directly related to managerial behaviour (see also England, 1967; Posner & Munson, 1981). In their study on the key values and attitudinal area, Hunt and At-Twajri (1996) considered the detailed demographic profile, such as age, educational level, marital status, work experience in the present organization, and managerial experience. This was done because prior studies have suggested that these demographic factors help to explain belief systems (Buchholz, 1978). Hunt and At-Twajri (1996) found that Saudi managers generally perceived "quality" as their primary goal. "Profit maximization", "service to the public", and "innovativeness" were rated lowest. All Saudi managers, at all hierarchical levels, tended to weigh the importance of organizational goals as the same. Most Saudi managers emphasized "quality" as the primary goal of the organization, except for those managers who were over the age of 54, who rated "profit maximization" as the main goal. However, managers of all ages weighed the importance of goals, "quality" or "profits", as the same, and the significant difference was only moderate. The results of Multivariate Analysis of Variance (MANOVA) and ANOVA clearly illustrate that most demographic variables did not show highly significant effects on the sampled Saudi managers' value systems. This finding has some support in the literature on Arab managerial values. Badawy (1980) also found that culture affects the hierarchy of needs of Middle-Eastern executives, and the demographic and organizational variables also had a minimal influence on managerial orientations (Ali, 1992).

Organizational culture and leadership effectiveness in the Saudi context

Organizational culture is an important issue in both academic research and management practice because it is the most important factor that can make organizations succeed or fail (McShane & Von Glinow, 2003; Schein, 2004). Culture might be one of the strongest and most stable strengths within the organizational context (Schein, 2004). Hofstede

(1991) noted in his writing that it is important to recognize that national culture and organizational culture differ in nature. His research indicated that national culture considers mostly consistency in values while organizational culture considers mostly consistency in practices. Organizational culture is defined as the basic pattern of shared assumptions, values, and beliefs that are believed to reflect a correct way of thinking about and acting on problems and opportunities facing an organization (McShane & Von Glinow, 2003). Schein (2004: 17) offered the most widely used definition of organizational culture, revealing that organizational culture can be seen as:

A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.

For any society and its members, values are important. In the workplace, values play an important role in shaping norms and behaviour. Organizational culture and leadership effectiveness are highly related. To achieve excellence in organizations it is necessary to link leadership with the desired organizational culture. Organizational culture is conceptualized as a mediator of the relationship between transformational leadership and organizational innovation (Arnabile, Conti, Coon, Lazanby, & Herron, 1996; Deshpande, Farley, & Webster, 1993; Prather & Turrell, 2002; see also Sarros et al., 2008). Values can affect managers' leadership styles (Schampp, 1978) and determine their personal effectiveness as leaders. Posner and Schmidt (1984) found that work values have a moderately strong correlation with the variable of organizational commitment, and an individual manager's values influence their selection of organizational goals. It is also true that values are difficult to investigate with precision because they are abstract ideas, positive or negative, not tied to any specific object or situation, representing a person's beliefs about modes of conduct and ideal terminal modes (Rokeach, 1968).

The KSA is almost identical to other Arab countries. Their Muslim faith plays a large role in people's lives (Hofstede, 1991). A large power distance and uncertainty avoidance are predominant characteristics of this region. This means that it is expected and accepted that leaders separate themselves from the group and issue complete and specific directives. However, other cultural attributes, including the accumulative

nature of Saudi culture, may promote knowledge exchange among members of society (Al-Adaileh & Al-Atawi, 2011). In addition, Arabs live in a high-context world where responsibility lies with the receiver to understand the message. Thus what is to be understood relies heavily on the context that the receiver is expected to understand and interpret correctly. The Arabic language is more connotative, evocative, and less explicit than English. This is visible, for example, in boss-subordinate relationships where bosses may give only general hints as to what is expected, and it is the subordinates' responsibility to figure it out. Leadership flows from centralized authority and leaders are responsible for decisions and taking care of people. Leadership is typically not shared. Even sharing can appear as a sign of weakness, and the leader's power is often quite strong, if not absolute. Those under authority look to the leader for direction and decisions, and they expect their own welfare to be considered. Fairness is important to all, especially in an environment where a Western view of fairness may be in conflict with cultural norms of *wasta*. In the Middle East, where authority is indeed concentrated in the leader, few subordinate leaders are willing to push back on authority or do something they fear their boss might not approve of. Leadership tends to be personal while loyalty is personal, and disloyalty or usurping against authority is taken seriously. At the national level it can be life or death. At the corporate level it can be career life or death (Arnold et al., 2009).

Saudi leaders are high on power distance and uncertainty avoidance. They are also found to be high on collectivism and femininity. To be a successful transformational leader, an individual has to see how they are able to connect with their followers' values. Bjerke & Al-Meer (1993) analysed Saudi culture along the four cultural dimensions defined by Hofstede (1980). They found that Saudi managers scored high on power distance, relatively high on uncertainty avoidance, and high on collectivism, and femininity. They attribute Saudi managers' high scores on collectivism and femininity to the Islamic teachings. Comparing their results with those of Hofstede, they suggest that compared with the US, the KSA scores considerably higher on power distance and uncertainty avoidance, considerably lower on individualism, and relatively lower on masculinity. A second characterization of the Arab managers (see Abdallah & Al-Homoud, 2001) is that they have a strong concern for their interpersonal relationships. However, in collectivist and high power distance contexts, such as those found in the Arab nations (Hofstede, 1980), we may expect concern for interpersonal relations to be expressed in different ways, depending on the more differentiated

nature of role relationships (Smith, Bond, & Kagitcibasi, 2006). It is important to behave in procedurally correct and respectful ways towards one's seniors and in nurturing ways toward one's juniors. These dimensions are quite relevant for nurturing transformational leadership in the Saudi context.

Robertson, Al-Khatib, Al-Habib, and Lanoue (2001) surveyed the work values of managers in the KSA, Kuwait, and Oman. Compared with Kuwait and Oman, in the KSA they found stronger endorsement of the belief that work is good in itself and that it bestows dignity on the individual. In an early study, Ali and Al-Shakis (1989) found Saudi managers to be more individualistic, less egalitarian, and less humanistic compared with Iraqi managers at that time. The 62-nation GLOBE survey conducted by House, Hanges, Javidan, Dorfman, and Gupta (2004) also serves as a key point of reference. They collected data from samples of managers in Egypt, Kuwait, Morocco, and Qatar. Effective managers from the Arab cluster were found to score significantly lower compared with those from elsewhere on charismatic, team-oriented, and participative qualities. However, effective Arab managers were reported to score significantly higher on "self-protective" traits – namely, self-centredness, status-consciousness, face-saving, conflict induction, and reliance on procedure. Face-saving and status-consciousness are often said to be important values in traditional Arab culture, especially within tribal cultures (Gregg, 2005).

However, there is continuing debate as to whether the standardizations that were used by the GLOBE researchers were appropriate for nation-level comparisons (Peterson & Castro, 2006). Within one's peer group, it is important to act in informal and collaborative ways. Considering this range of relationships as a whole, there are reasons to expect Arab managers to report relying more strongly on formal rules and procedures, on unwritten rules, and on consulting more frequently with others, such as their co-workers and their subordinates (Smith, Achoui, & Harb, 2007). Achoui (2006) also compared the responses of executives with middle-level managers from both public and private sectors. He reported that responses on the use of sources of guidance for decision making, such as unwritten rules, subordinates, peers, one's own experience, and friends, differed significantly. These differences were attributed to subcultural variations as well as to personal and organizational variables. Further analysis of the Saudi data indicated that reliance on formal rules was substantially greater among Saudi executives than among Saudi middle managers, even though many more middle manager respondents were working in state enterprises. The profile of the

Saudi middle managers came closest to the predicted pattern. Particularly striking was their low reported reliance on superiors, the lowest from any of the 64 nations that have been sampled using these measures. This may seem surprising in view of the frequent portrayals of the KSA as a nation high in power distance. However, as we have argued, leadership in a high power distance context does not necessarily need to entail direct seeking of guidance from one's superiors. It can equally involve anticipating one's superior's wishes, relying on the written rules, and consulting with one's peers and others about how best to satisfy one's superior (Smith et al., 2007).

Transformational leadership consists of charisma/inspirational leadership, which entails appealing to a collective identity and expressing an energizing vision to followers. In the Saudi context the loyalty of followers, a higher degree of acceptance of the leader and their vision, a stronger collectivist approach of leaders and their value system encourage them to take this role easily. The important aspect here is the honesty and integrity of the transformational leader in selling their ideas, dreams, and visions. The value ambience makes it easier to practice transformational leadership in the Saudi context. The second most important aspect of transformational leadership is intellectual stimulation, which is expressed by encouraging followers to see things in a new light. The high collectivist and feminine value system encourages Saudi leaders to reach to their followers. The high degree of interpersonal relationships, as evident among Saudi managers, can surely help them to adopt a transformational leadership role. The third important construct of transformational leadership is the individualized consideration of the followers, which entails understanding their needs and helping them to grow to their full potential, which is also evident among Saudi managers (see also Schippers et al., 2008).

Islamic influences on Saudi leadership

Islam has greatly influenced business practices and business activities in the KSA. All Saudis are Muslims, and in the KSA, Islam is the recognized religion. Islam connotes complete submission and obedience to God (Allah). According to Islam, people worship one God, who is distinguished by his divinity, creatorship, and omnipotence in the full meaning of these words. People derive their conceptions, values and standards, institutions, legislature and laws, orientation, ethics, and morals from him alone (Qutb, 1988, cited in Tripp, 1994). Within Islam there is no separation of mosque, state, personal, and private. Islam

influences how most people think – how they view themselves, their work, their family, and their government. To be a good worker and a good leader, one needs to be a good Muslim. These Islamic values are intertwined and permeate life in a way that is difficult to comprehend for those who are not raised with that mindset (Arnold et al., 2009). Thus Islamic values and its belief system play an important role in shaping the values and behaviours of individuals. The leadership values shown by the Prophet Muhammad are highly regarded and revered in the KSA. Adair (2010) evaluated the diverse aspects of the Prophet Muhammad's personality and cultural context to illuminate his leadership qualities. Using metaphors like comparing leaders to shepherds, he said that a good shepherd guides his sheep, unites them, works for their welfare without taking advantage of them, and cares for each individual. Adair found all of these characteristics in the Prophet Muhammad. Great leaders lead from the front and by example. They eschew arrogance, exude humility, are truthful, are prepared to share any hardship with followers, and esteem both vision and dedication to achieve a task. To Adair, success is a function of leadership, and the Prophet Muhammad who transformed Arabia and much of the world could not have achieved this without being a good leader (Khan, 2010).

We found that Islamic teaching and practices greatly influence the values of Saudi leaders and managers. Hunt and At-Twaijri (1996) also reported that Saudi executives derive their values mainly from Islam and show a moderate tendency towards individualism. In general, Arab managers have been shown to strongly endorse the Islamic work ethic (Ali, 1988, 1992; Abu Saad, 1998). Several authors have asserted that Islamic beliefs and the Islamic work ethic (Ali, 1988, 1992) provide a core basis for understanding Arab organizational behaviour and leadership, and studies using a measure of the Islamic work ethic within organizations in the Emirates have also shown significant effects in this regard (Yousef, 2000).

For the devout Muslim, Allah is in control, unknowable, unsearchable, totally other, and totally sovereign. Although humans can and should try to do their best, things will only happen if Allah wills it. The phrase *inshallah* means God's will, and when used at the end of any statement of intent, it recognizes the theological point that this will only happen if God wills it (Arnold et al., 2009). This approach has been badly practised in the Muslim world and Saudi cultural context is not bereft of it. Islam places emphasis on doing and on actions. Thus individuals are responsible for their own actions. However, for the non-doers, *inshallah* has become a scapegoat. Nevertheless, those who

are not aware of the Muslim cultural context misunderstand this word. This philosophy is crucial, and if not understood and practised properly it may render a leader vulnerable and helpless, as well as dilute the authority they exercise. The other negative aspect of Islam is the fatalistic streaks found among managers. Saudi managers, as Muslims and Arabs, do not tolerate persons who deviate from Islamic teachings and Arab traditions. They are very loyal to their organization (Muna, 1980). Muna analysed past and present Islamic achievements (which are in harmony with Islamic teachings) demonstrating the use of long-range planning, and a desire to understand and control the environment. Bjerke and Al-Meer (1993) corroborated this view and found that Arab managers are far from fatalistic. They are future-oriented, rational in their planning, and they attempt to prevent adverse results. In all, the present Saudi Arabian cultural context provides many opportunities to develop leadership qualities. The business and economic environment provides opportunities to demonstrate leadership qualities to young and new managers. The business environment, which is becoming global, diverse, and networked, provides a great opportunity for Saudi leaders to demonstrate to the world the core values of Islam, which are based on honesty, integrity, equality, truthfulness, and sincerity, to reflect the true message of Islamic teaching and learning. Adair (2010: 110) sums up:

within Islamic thought there is a bridge between theology and philosophy... that bridge, of course is the concept of truth. For truth is truth, whether it is found by contemplating the names of God or through the study of human nature and social life.... Therefore Islam today is both an inheritor of the world's body of knowledge about leadership and a great contributor to it.

Select case analysis of Saudi leaders

The present study attempts to study transformational leadership in the KSA. Previous sections introduced the pivotal issues that construct Saudi Arabian leadership. They also take into account the deep-rooted values and the nature of the culture in which leadership qualities are embedded. After careful review of the literature available on Saudi leadership, the discussion is reinforced by cases of successful Saudi business leaders. The KSA is rated as the 13th most economically competitive country in the world, according to the IFC-World Bank annual "Doing Business" report issued in 2010. Accordingly, there have been continuous government initiatives to encourage businesses to diversify and

achieve competitiveness by channelling available resources. Many Saudi entrepreneurs, business leaders, and corporate managers have shown extraordinary talent in achieving their individual milestones, which is praiseworthy. The following paragraphs showcase nine such cases which throw light on both leadership qualities and achievements. At the end, a framework of leadership is proposed to help an understanding of the leadership development process in the KSA.

Achievement, philanthropy, and Islamic business and work ethic

In this category, five cases are discussed, including Ali Ibrahim Al-Naimi, Sulaiman Al-Rajhi, Prince Alwaleed Bin Talal Al-Saud, Khalid A. Al-Falih, and Dr Abdullah bin Marei bin Mahfouz. As we know, philanthropy is essentially rooted in Islam, and it is quite evident in the Saudi Arabian context. A good leader has to be a philanthropist, humble, and kind. These are the least expected virtues in the Saudi business environment.

Ali Ibrahim Al-Naimi

Ali Al-Naimi has been the minister of petroleum and mineral resources of the KSA since August 1995. His is a great success story and motivating for every Saudi who wants to be successful. He started his career as a foreman in Aramco and went on to become its CEO and president, later becoming the petroleum and mineral resources minister of the kingdom. He was born in 1935 in the Eastern province of the KSA and joined Aramco in 1947 at the age of 12. In 1953, after two years of full time schooling sponsored by the company, he became an assistant geologist in the exploration department. During 1956–1963, with Aramco's sponsorship, he studied at International College, Beirut, and at the American University of Beirut. He earned a BS degree in geology from Lehigh University in 1962 and an MS in geology from Stanford University in 1963. He worked in Aramco's exploration department as a hydrologist and geologist during 1963–1967. He became supervisor of the Abqaiq production department in 1969 (SAGIA-GCF, 2012).

Al-Naimi rose through the rank of the company's oil operation in the Eastern province from foreman to assistant superintendent and from superintendent to manager. He became the vice president of production affairs in 1975, a senior vice president in 1978 and was elected to the board of directors at Aramco in 1980. In 1982 he was made the executive vice president-operations and finally he was named president of the company in 1983. He was the first Saudi citizen to hold this office.

Later, after combining both positions, he was named president and CEO of Saudi Aramco, which he remained until 1995. In August 1995 he became the minister for petroleum and mineral resources. During this time the global economy has gone through many crises, but with his able leadership and vision, he has been able to position Saudi leadership at OPEC and various other forums. He was listed as one of the most influential people in the world by *Time* magazine in 2008 and in 2011 he was ranked as one of the 50 most influential people by Bloomberg Markets (SAGIA-GCF, 2012; Wikipedia, 2012).

Sulaiman Al-Rajhi

Sulaiman Al-Rajhi is the founder of the Al-Rajhi Bank. He is from an impoverished background but overcame adversity and experienced a meteoric rise. His is a rag-to-riches story. As of 2011, his wealth was estimated by Forbes to be \$7.7 billion, making him the 120th richest person in the world. His flagship SAAR Foundation is a leading charity in the kingdom. The Al-Rajhi family is considered one of the kingdom's wealthiest non-royal families and is among the world's leading philanthropists. Interestingly, he is now both a philanthropist and a financially poor man by choice after he willingly transferred much of his assets to his children and kept the rest for charity and donation-related purposes. In an interview, he expressed his views on wealth: "All wealth belongs to Allah, and we are only those who are entrusted (by God) to take care of them." Overcoming adverse situations and a firm belief in Allah are just two of his traits, which are praiseworthy. For example, there was a fire in one of his factories and his son came to tell him about the incident. He repeated his words in one interview: "Say praise to God. I asked him not to submit any report about the losses to the authorities seeking compensation. In fact, the compensation is from Allah, and it is essential for us to be satisfied with what Allah destined for us." In response to another fire incident he said: "*AlHamdulillah* (praise to God)" (Arab News, 2012). The roots of Islam also pervaded the inception of the Al-Rajhi Bank, which is strictly Islamic. The entrepreneur who has a deep faith in the Islamic principles and their effect on Muslim individuals' banking practices was eventually successful in convincing the Bank of England authorities about the virtues of Islamic banking codes. In his words: "I told them that Muslims and Christians see interest as forbidden (*haram*), and the Muslim and Christian religious people are unwilling to make transactions with banks based on interest and instead prefer to keep their cash and other valuables in boxes at their homes. I tried to convince them that (if we establish Islamic banks) this

money would strengthen the world economy. These talks were helpful in convincing them and they agreed to open Islamic banks" (*Arab News*, 2012). His other business venture that has been widely appreciated involved the poultry project Al-Watania Poultry, which was an initiative against the slaughtering of animals based on Islamic ethics. He said: "I saw that slaughtering chicken was not proper. Then I decided to make investments in the field of poultry after considering it a duty to my religion and nation... The company enjoys a 40 percent market share in the Kingdom, and Al-Watania chickens are naturally fed and halal slaughtered in accordance with the Shariah principles" (*Arab News*, 2012).

Sulaiman Al-Rajhi displayed an exemplary work ethic, which is an exceptional case to be followed by the followers. He is known to be a strict disciplinarian and a hard worker. Even in his advanced age, he follows a rigorous regime. Al-Rajhi is still active and possesses youthful spirits even in his 80s. He begins his daily work after morning prayers and is active until Isha prayers before going to bed early. He is now fully focused on running the endowment project under his SAAR Foundation and travelling to various regions of the kingdom to manage related activities. He always carries a pocket diary containing his daily programmes and activities, and he likes to stick to the schedule he has prepared well in advance. He clarifies his passion for work as a responsibility for managing Allah's assets entrusted to him with honesty and sincerity. Al-Rajhi achieved excellent performance results in almost all businesses in which he carved out a niche for himself. In addition to establishing the world's largest Islamic bank, he founded the largest poultry farm in the Middle East (*Arab News*, 2012).

Prince Alwaleed bin Talal Al-Saud

Prince Alwaleed Al-Saud has been a very successful executive acknowledged worldwide. He has consistently made donations personally and through his foundations. He is the chairperson of the Kingdom Holding Company and he topped the *Middle East* magazine's 2011 list. As a multibillionaire businessman and philanthropist he was the region's most highly recognizable face in 2011. The Alwaleed Bin Talal Foundation focuses on removing the gaps between communities and religions, reducing poverty, and educating the people of the KSA (*Arab News*, 2011). In an interview, he focused on the emerging Saudi work ethic and conforming to essential ethical practices. As a business leader he had the foresight to introduce proper governance practices in his company

long before US companies were shaken by fraud. In his words, "Our corporate governance policies preceded all the scandals and problems that took place in the States and before US companies were forced to reform. For example, I established the relationship with my company, Kingdom Holding, since we had our IPO. So it was important to me early on" (*Leaders Online*, 2012). As a leader, he is tough, straightforward in dealing with things, and tolerant towards mistakes to the extent that his people learn from their mistakes. He emphasizes moral standards expected from his employees on which no compromise can be made. He says: "we have very high standards of ethics – that is very important to me" (*Leaders Online*, 2012). His charisma, concern for quality and attainment of goals, his work ethic, and his humbleness are good examples of attributes of a transformational leader who aims to motivate his followers.

Khalid A. Al-Falih

Khalid Al-Falih is the president and CEO of Saudi Aramco and oversees the company's management of the world's largest proven conventional oil reserves. The transformational approach is aptly highlighted by Al-Falih whose association with Saudi Aramco has been long and fulfilling. He graduated with a bachelor's degree in mechanical engineering in 1982 from Texas A&M University. He did his MBA in 1991 at KFUPM, the KSA. "He places high value on self-initiative in knowledge, collaboration and networking in an increasingly interdependent world and has made social responsibility a personal initiative." Al-Falih's commitments at the local and regional levels to support education, professional development, entrepreneurship and empowerment of women in business, as well as philanthropic activities on behalf of the poor and victims of disaster, has been noted worldwide. He was chosen as outstanding International Alumnus at Texas A&M (TAMU, 2010). Al-Falih's vision and broad intentions are well charted out for his future route to accomplishments. In his words, "We aim to leverage our intellectual capacity, supply chain, scale and expertise in supporting the development of the Kingdom's knowledge-based economy and job creation. So really, it's about both the company and the Kingdom" (Saudi Aramco News, 2011). He is passionate about his jobs: "I love my job and I'm passionate about delivering the transformation our company needs... rather than being content with the status quo, we are challenging ourselves to unleash the full potential of our company – and above all, of our people" (Saudi Aramco, 2012).

Dr Abdullah bin Marei bin Mahfouz

Saudi businessperson Dr Abdullah bin Marei bin Mahfouz donated one-third of his wealth for charitable purposes. In doing so he was advocating disparity among the social classes whereby the wealthy bestow on the lesser who are less privileged to alleviate poverty. Moreover, he was inspired by the US practice where famous billionaires distribute a huge part of their earned wealth. He feels that this had a cascading effect on other affluent people who were motivated to do the same. Dr Mahfouz encouraged the emulation of such a model in the KSA. He said: "I believe the experience of American billionaires could be applicable in the KSA and I don't see why [we should] not adopt a similar initiative" (Al-Arabiya News, 2010).

Women empowerment and leadership

Saudi Arabian society is known for gender segregation rather than gender discrimination. In recent times there have been many reforms and commendable strides taken by the government to empower women in the workforce. The recent reforms highlight a renewed attempt to redefine women's roles in all vital activities. The announcement of the King regarding woman playing a greater role in Saudi society and politics in future has been accepted with unprecedented happiness and expectation of a more empowered future for women. About ten years ago the Saudi monarch said that women should be central to the Saudi economy. In the intervening years the kingdom has been gradually taking steps to reduce segregation and give more respect to women. Allowing women to stand and vote in municipal elections is a big step towards political reform. The right for women to join the all-male Shura Council could turn out to be even more significant since it is the most influential political body in the country. The country would not have realized all of these remarkable achievements without the farsighted vision of its leadership, which supports the role of women in the development process (Gulf Times, 2011). Three cases of successful women are discussed below.

Norah Al-Fayez

The case of the appointment of Norah Al-Fayez to the Saudi Ministry has been a milestone and has given clear indication of the King's keen interest in the genuine empowerment of Saudi women in different areas of male-oriented professional activities. She broke the gender barrier

in the oil-rich kingdom when King Abdullah bin Abdul Aziz Al Saud appointed her as the deputy education minister for female education affairs, the most senior position ever granted to a woman in the kingdom. This appears to be the first and only crack in the glass ceiling. Analysts and commentators hailed Norah's appointment as a historic step for the conservative, oil-rich monarchy where women were denied the right to vote in the country's first-ever municipal elections in 2005 despite campaigning heavily for suffrage rights (Al-Arabiya News, 2009).

Suhaila Zain Al-Abidin

Suhaila Al-Abidin is a good example of a successful woman leader who has played an important role in influencing women in the KSA. She is a member of the National Society for Human Rights and serves on the board. She is vice-president of the studies and consultations committee and the scientific committee (*Saudi Gazette*, 2010). She epitomizes a symbol of dignity and grace. She has written 20 books on social, intellectual, literary, media, political, and historical issues. Some of these are being taught at universities today. One of her first books was a two-part study of the progress that women have made in the KSA. Her views and activities regarding women empowerment are strongly inspired by the tenets of Islam. She stated clearly in an interview: "it's a God-given right for qualified women to participate in decision making as they used to do in the days of the Prophet (peace be upon him) when women used to participate in wars and offer their opinion on a variety of issues" (*Saudi Gazette*, 2010).

Maria Mahdaly

Maria is known for her dynamism and for bringing new ideas to the fore for women. She stresses the paradigm transformation of social values and the emerging trend of growing women participation. Her journey has been rapid and overwhelming. In 2007, aged 19, she started Rumman, a media and publishing house in Jeddah, with Enas Hashani and Bayan Abuzinadah. The company runs two ventures: a monthly city magazine with a circulation of 70,000 called *Destination Jeddah* and a social network called *Fainak*. By 2010, Rumman was ranked by the AllWorld Network, which provides rankings of private growth companies in emerging economies around the world, as the KSA's fastest growing start-up, with a growth rate of nearly 600%. Maria feels that she is benefiting from changing attitudes of people in the KSA. She said: "we get a lot of support from other businesses, the media, and individuals in general" (Hoare, 2012).

Leadership among government officials

Prince Khaled Al-Faisal Al-Saud

The government initiatives and efforts to extol officials developing leadership programmes for the general public helps in leadership-building exercises at the grassroots level. In this context the case of Prince Khaled Al-Faisal, the governor of Makkah, will open up new opportunities for an effective understanding of Saudi leadership. His continuous focus on the development of Arab youth's leadership features has made him the best Arab personality in the field of solving issues related to Arab youth. Prince Khaled's role as the president of the Arab Thought Foundation (ATF) is commendable. The ATF aims to empower Arab youth to lead developmental activities in the Arab world. It has succeeded in producing a large number of young ambassadors who are distinguished in the areas of social responsibility, voluntary services, and developmental activities. The prince has taken the initiative to appoint a number of distinguished youths to the board and committees of the foundation and has stressed the need to include young speakers in the annual conferences of the ATF. He also set apart sessions of the foundation for youth leadership projects (Al-Sulami, 2012). After becoming the governor of Makkah province, the prince laid out a strategic plan for increased youth participation in various projects. He also set up a youth committee under the provincial council with the aim of improving young people's welfare. The committee serves as an umbrella organization for the Makkah Youth Development Council, Young Businessmen Committee, Makkah Province Youth Meet, Business Pioneers Committee, Makkah Youth Committee for Social Media and the Makkah Youth Committee for Voluntary Work (Al-Sulami, 2012).

Based on the above discussion, this chapter proposes a framework to increase our understanding of the leadership development process in the KSA. The external environmental factors are important in developing leadership styles. The cultural context, Islamic teachings, and individual values play important roles in practising appropriate leadership styles in the KSA. Government initiatives are seen as very important in the development process, and the role of government in developing leadership lies at the core of the problem. It is also important to understand the current scenario and to arrest those processes which are detrimental to leadership development, while augmenting those that facilitate and support it. Leadership in the KSA can be classified into three strands – namely, entrepreneurial and corporate/business leaders, women empowerment and women leadership, and political

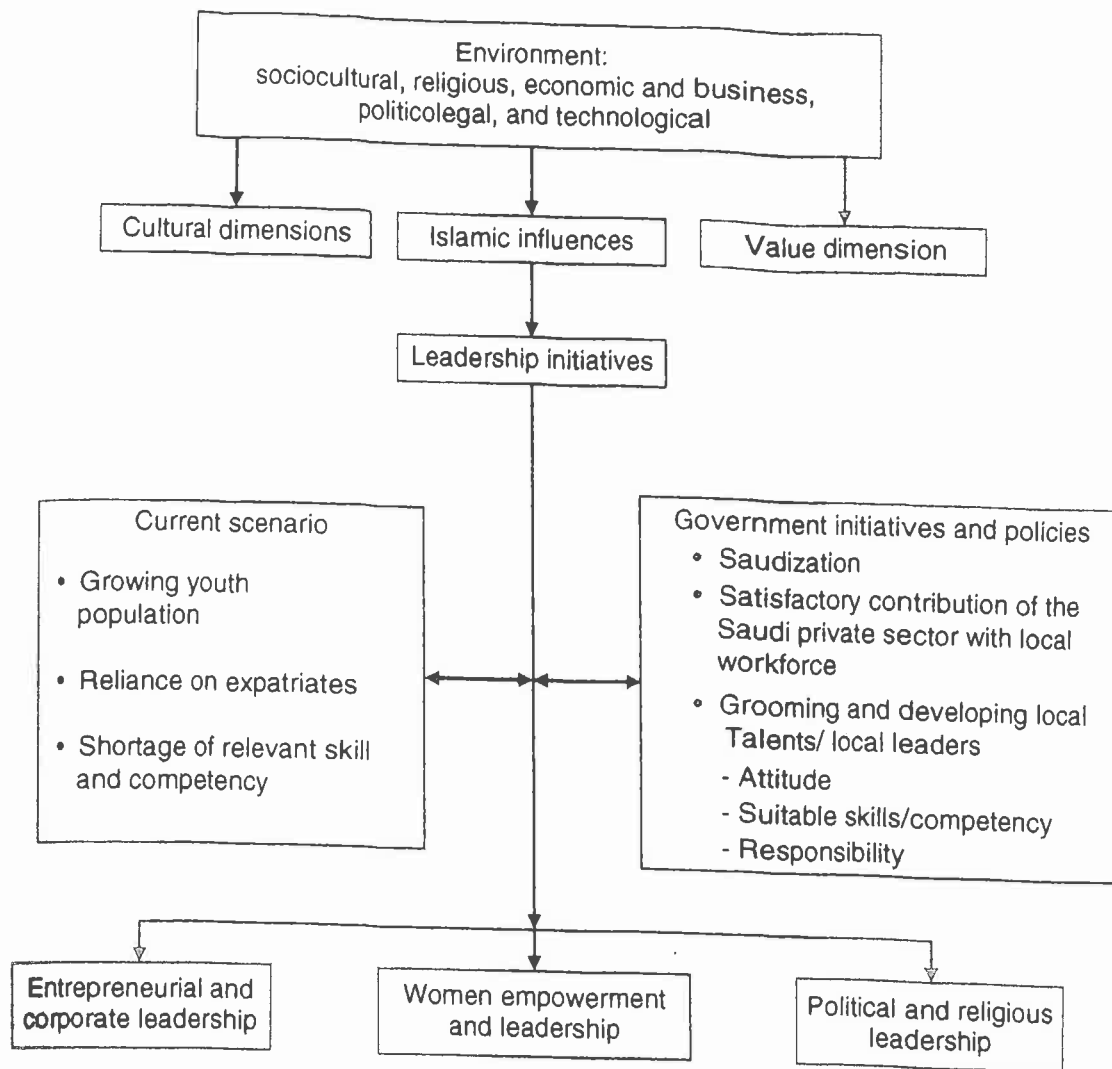


Figure 10.1 A framework: leadership development in Saudi Arabia

and religious leadership. The following framework helps us to understand the Saudi leadership process, which takes into account visible and invisible stakeholders in the process (Figure 10.1).

Conclusion

Leadership is synonymous with success, and it has emerged as the key factor in achieving excellence in organization, which is true for the KSA as well as any other state. Ribelin (2003) argued that leadership not only improves organizational performance but also influences employees' job satisfaction. With its accession to the World Trade Organization in 2005, the quest for leadership drive in the country has been accentuated in recent times. The KSA aims to become one of the world's top ten competitive economies. Considering this background, the transformational leadership paradigm seems highly relevant

in the Saudi cultural context. Saudi society is highly networked and collectivist. People show immense regard for their leaders. Managers are found to be high on collectivism and femininity. Leadership tends to be personal, and the loyalty of followers is important in the Saudi cultural context. The interpersonal relationship between leaders and followers is also high. In this cultural context, transformational leadership is highly relevant for Saudi managers who can provide a motivating environment to their followers. Transformational leadership entails appealing to a collective identity and expressing an energizing vision to followers. Transformational leaders can stimulate followers to challenge their current working conditions and, in turn, followers will perform innovatively. Thus transformational leaders are able to innovate with the organization, satisfy followers, and achieve higher organizational performance (Tang, 2006). In the Saudi context, the loyalty of followers, the higher degree of acceptance of the leaders and their vision, and the value system all encourage leaders to pursue transformational leadership goals.

The Islamic perspective on leadership also encourages leaders to adopt the transformational leadership style in the KSA. From the Islamic perspective, the world has not seen a better leader and human being than the Prophet Muhammad, and he is the role model for Muslims in the KSA and elsewhere. His words, actions, and behaviours form the basis of *Sunnah* and *Sharia* laws in Islam. As for Muslims, any leader of any organization, whether business, political, or religious, is first a follower of God, and this imposes limits and defines their duties to the people they lead. Model leaders are supposed to be exalted and humble, capable of vision and inspiration, yet, at the same time, dedicated to the service of the people (Adair, 2010). This Islamic manifestation of leadership is highly relevant for the Saudi context. Although this is an ideal situation, leaders can emulate the effectiveness of a true leader who can be successful in their pursuits. The cases also endorse this view, and we find a coherence of Islamic principles and their supremacy in propelling these leaders to their desired goals in all cases, be it Al-Rajhi's business ethics and humble approach, Prince Alwaleed's adherence to ethics and high performance standard, Prince Khaled Al-Faisal's connectedness with his people and effective interpersonal relationship, or Suhaila Al-Abedin's quest for women's equality and empowerment. Islamic principles and ethics shape the values of society and its leaders in the KSA. At workplaces as well, values play an important role in shaping the norms and behaviour of the people, which relate strongly to organizational culture and leadership effectiveness. To achieve excellence in organizations, it

is also mandatory to link transformational leadership with the desired organizational culture. Organizational culture is conceptualized as a mediator of the relationship between transformational leadership and organizational innovation as well. In all, a transformational leadership style with its shared vision – that is, inspirational and charismatic leadership attributes providing individual attention and intellectual stimulation for followers' learning and growth – appears to be a sure recipe for success in the Saudi cultural context, but it needs further empirical probing.

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The overarching aim of this volume is to present research studies carried out in the Middle East and Asia in the field of culture and gender and their influence on leadership in particular. The cultures and architectures of these geographical regions are varied and this book, *Culture and Gender in Leadership Perspectives from the Middle East and Asia*, brings together analysis of these themes in selected countries from those two regions. The chapter authors use various descriptions, case studies and vignettes to speak of the cultural relations and gender in leadership in these countries and provide a unique and comparative perspective through their own syntheses.

The book also contributes to the development of theory and confirmation of research in the region and through the collective efforts presented, attempts to strengthen the body of knowledge and practice in the fields of culture and gender in leadership. As Asia's booming economies are economic growth for the world and the Arab Spring is a dramatic development in the Middle East, this book is a must read.

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