EFFECT OF LEADERSHIP ON THE MOTIVATION OF EMPTOYEES IN THE MUNICIPAL SERVICES SECTOR IN THE KINGDOM OF BAHRAIN

MOHAMMAD FAISAL SALEM MOHAMMAD

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MOHAMMAD FAISAL SALEM MOHAMMAD

A Thesis Submitted to Asia e University in Fulfilment of the Requirements for the Degree of Doctor of Philosophy

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ABSTRACT

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The Municipal Services Sector in the Kingdom of Bahrain has been developed significantly during the last ten years by exploiting many crucial developments. However with those kinds of developments, the internal work environment needs to be changed. Autocracy and bureaucracy, in addition to other factors such as internal and interpersonal communications and absence of work team culture and practices, have negative effects on the internal work environment as well as prohibiting the effects of the new developments to take place clearly and smoothly. High emphasis has been put on the services and the way in which they are provided as well as the work structure and the management styles. There is an essential need to put more emphasis on the issues of leadership and motivation. This study has investigated the effect of transformational leadership, transactional leadership, and laissez-faire on motivating the employees toward achieving high work performance by exerting extra efforts. Moreover, the study has investigated the moderating effect of position, gender, age, educational level and years of work experience on the relationship between leadership and motivation. The Multifactor Leadership Questionnaire (MLQ) 5X version has been used to collect data from 94 leaders and 993 subordinates from the Municipal Services Sector. The results showed that motivation is significantly affected by some elements of the transformational leadership and the transactional leadership in the Municipal Services Sector. They showed also significant effect of some leadership elements on motivation with respect to specific moderating factors. The study recommended the considering of recruiting people with specific leadership traits to occupy the leadership positions or developing the existing ones. It also recommended the building of effective and efficient systems for monitoring and controlling, rewarding and recognition, and staff interaction.

APPROVAL PAGE

I certify that I have supervised / read this study and that in my opinion it conforms to acceptable standards of scholarly presentation and is fully adequate, in quality and scope, as a thesis for the fulfilment of the requirements for the degree of Doctor of Philosophy.

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I hereby declare that the thesis submitted in fulfillment of the PhD degree is my own

work and that all contributions from any other persons or sources are properly and duly

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LIST OF ABBREVIATIONS

CR Contingent Reward

EE Extra Effort
Exp Experience

IC Individualized Consideration

IIA Idealized Influence (Attributed)

IIB Idealized Influence (Behavioral)

IM Insprirational Motivation

IS Intellectual Stimulation

Jr Emp Junior Employee

LF Laissez-Faire

MBEA Management By Exception (Active)

MBEP Management By Exception (Passive)

MLQ Multifactor Leadership Questionnaire

Spec Emp Specialized Employee

SPSS The Statistical Package for the Social Sciences

Sr Emp Senior Employee

Sup Supervisor

CHAPTER 1. INTRODUCTION

Introduction

The purpose of this chapter is to highlight the reasons beyond conducting this research as well as the importance of it to the Municipal Services Sector in the Kingdom of Bahrain. This chapter is divided into nine sections (background of the study, research problem, research questions, research hypotheses, research objectives, significance of the study, definition of terms, limitations of the study and organization of the remainder of the study).

The background of the study is highlighting the roles of leadership and motivation in an organization and how they are affecting its performance as well as the performance of its employees. It is also highlighting the status and the nature of the work environment of the Municipal Services Sector in the Kingdom of Bahrain with respect to its positive and negative factors.

The research problem is summarizing the status of the internal work environment of the Municipal Services Sector in the Kingdom of Bahrain with respect to the negative attitudes and practices of the employees. It is highlighting the major factors which are accused to cause the negative attitudes and practices of the employees. These factors are leadership and motivation. It is also highlighting the reasons beyond considering leadership and motivation as the major causes of the negative attitudes and practices in Municipal Services Sector in the Kingdom of Bahrain.

The research questions' section is including the main statements of questions that need to be answered by conducting the current study. Four questions have been stated based on the research problem.

The research hypotheses are stating the assumptions that the researcher made about the relationships between the leadership's styles and motivation, and the effect of the moderating variables on these relationships. There will be four hypotheses plus the null hypotheses.

The research objectives' section is stating the main objectives that the researcher is trying to achieve by conducting the current study. There will be four objectives of the research.

Significance of the study is the section which is stating the importance of the current study and how it will contribute to the body of knowledge.

Definition of terms' section is containing the key terms which will be used in the current study as well as their meanings.

The limitations of the study are the factors which can cause the research to not attain its objectives easily, and which can cause some invalidity or some unreliability in the results of the study.

The final section is illustrating how the remainder of the study is organized.

Background of the Study

Leadership has an essential role in the organizational success. It is considered as one of the most important factors which lead toward organizational success or failure as well as organizational changes (Sadeghi & Pihi, 2012; Margir, Kamalepur, Sargolzaie, & Suriezahie, 2014). Moreover, "effective leadership has an imperative role in the better performance and growth of the organization" (Mahdinezhad, Suandi, Silong, & Omar, 2013, p. 1). Many scholarly theories have been developed to test how leadership affects employees' performance at the work environment. However there is much variation

among these scholarly theories, the consensus is that leadership practices are vital and they can improve employees' performance (Caillier, 2014).

Successful and highly motivated leaders have positive effects on their subordinates. When subordinates are motivated by their leaders, then their performance will be increased significantly and thus their organization will proceed toward the success. In addition to other factors such as well planning, right staffing, effective management, and high class training, motivated employees play crucial role in increasing the performance and efficiency of an organization.

Leadership and motivation are highly related to each other and it has been proven that the extent of motivation depends on the leadership style (Al-Jannaee, 1989; Mason, 1998; Hoppe, 2004; Oakley-Williams, 2005; Williams, 2005; Goodridge, 2006; Vidic, 2007). Transformational leadership, for example, has different effects on motivation as compared to transactional leadership. Thus, an organization should valuates the role of leadership in motivating its employees, and it should adopt the most appropriate style(s) of leadership which suits its internal environment and its special conditions and circumstances (Humphreys & Einstein, 2004). It is well known that leadership's styles and practices are different across cultures and various work environments (House, Dorfman, Javidan, Hanges, & Sully de Luque, 2013), and there is no one leadership style that fits every condition and situation (Green, 2014).

The Municipal Services Sector, which is one of the authorities of the public sector in the Kingdom of Bahrain, has been developed significantly during the last ten years, specifically after the issuing of the National Charter by Bahrain's King, Hamad Bin Essa Bin Salman Al-Khaleefah, and after the approval of the new Constitution of Bahrain. A remarkable development in the Municipal Services has been done after the

establishment of the Municipal Councils which are spread out in the five governorates of the Kingdom of Bahrain, the Northern Area, the Middle Area, the Southern Area, the Capital, and Muharraq.

In addition of establishing the Municipal Councils, the main developments which have been done in the Municipal Services Sector were for the executive Municipal Authorities. New directorates and sections have been established with more emphasis on employing qualified staff and concentrating on training. A training centre has been established for that purpose.

The top management valuated the importance of quality management. So, for this reason a new business unit for quality management has been established in each municipality since 2008.

For the purpose of management development and to establish a new strategy for the Municipal Services Sector in order to comply with Bahrain's 2030 Vision, an agreement with a specialized company has been established to assist in achieving that.

However with those kinds of developments which have been done in the Municipal Services Sector, the internal work environment need to be changed. The autocracy and the bureaucracy, in addition to other factors such as internal and interpersonal communications, violation of the Code of Conduct of the work, and the absence of team work culture and practices, have negative effects on the internal work environment of the Municipal Services Sector, which are prohibiting the effects of the new developments to take place clearly and smoothly.

With an experience of more than ten years in the Municipal Services Sector, especially at the position of chairing the Training and Development Department, a great opportunity has been obtained to closely investigate and explore the behaviors and

attitudes of the employees. It has been found that many employees have bad behaviors and attitudes such as late morning arrival, early afternoon leaving, leaving the workplace within the duty time without permissions, delaying in performing and following up works and duties, obvious conflicts between superiors and their subordinates, lack of mutual respect as well as lack of trust between them, continuous complaining and grumbling, miscommunication, lack of intention to improve the way of performing works, lack of desire for self-development, and others. These investigations have been noted from direct interactions with employees from different sections and levels as well as the documentation of them in the monthly and periodically reports which are collected and administered by the Training and Development Department.

Many types of gathering, such as meetings and focus groups, have been organized between the top and the middle management in order to discuss those behaviors and attitudes and to find the proper solutions for them. As an opportunity to attend the majority of those gatherings, it has been found that most of their outcomes indicated that there are two major reasons for the noticed bad behaviors and attitudes, the lack of motivation and the inefficiency of leadership (Annual Report of Training and Development Department, 2008-2013).

With a direct investigation of the status of the employees who are occupying the senior position levels (such as directors, chiefs, sections' heads and supervisors) in the Municipal Services Sector, which are considered as leadership positions, it can be found that there are substantial differences between them. Some of them are highly qualified and the others are just holding intermediate or high school certificates. Some are in the ages of forties and fifties, and the others are in twenties and thirties. Nearly about 60% of the seniors attained their recent positions within 3 to 7 years of work experience, and

the rest got their recent positions within 15 to 25 years (Annual Report of Training and Development Department, 2013). More than 55% of the superiors are violating the Code of Conduct of the work (Annual Report of Training and Development, 2013). Furthermore, as investigated, many of the superiors do not have the capabilities to manage their subordinates as well as not having the ability to lead them or to perform their jobs finely.

When going down to the level of the subordinates, demotivation, discouragement and frustration are obvious phenomena which can be noticed in the work environment. It can be felt that the stimulus to perform better jobs and duties and to do extra jobs for the sake of the subordinates' sections is nearly absent.

Many dialogues have been conducted with different employees at subordination levels regarding the nature of the work environment and their satisfaction with their jobs. It has been found that absolutely all employees who participated in the dialogues were not happy and dissatisfied with their jobs. The common factor which has been clearly accused to cause the dissatisfaction was the behavior of the superiors. Very few employees were happy and satisfied with their superiors.

For the recent time, high emphasis has been put on the quality of the services which are provided by the Municipal Services Sector and the way in which they are provided as well as the work structure and the management styles. However it is very crucial to do all of these things, there is a very essential need to put more emphasis on the issues of leadership and motivation, which as stated previously had essential role in organizational success.

This study will investigate the effect of the elements of the Full-Range Leadership Model on motivating the employees of the Municipal Services Sector in the Kingdom of Bahrain. The elements of the Full-Range Leadership Model are the transformational leadership (measured by idealized influence "attributed and behavioral", inspirational motivation, intellectual stimulation, and individualized consideration), the transactional leadership (measured by management by exception (active), management by exception (passive), and contingent reward), and the laissez-faire (Bass & Avolio, 1995).

Conducting the research in this sector is very important because of the essentiality and the importance of the municipal services for the citizens all around the world, not just in the Kingdom of Bahrain. The Full-Range Leadership Model is one of the most comprehensive and modern leadership models (Nwoke, 2010). It covers mostly the main leadership styles which have been well known since a long time.

Research Problem

Leadership has an essential role in the organizational success. Successful and highly motivated leaders have positive effects on their subordinates. When subordinates are motivated by their leaders, then their performance will be increased significantly and thus their organization will proceed toward the success.

The Municipal Services Sector, which is one of the authorities of the public sector in the Kingdom of Bahrain, has been developed significantly during the last ten years. High emphasis has been put on the services which are provided by the Municipal Services Sector and the way in which they are provided as well as the work structure and the management styles.

Despite of those developments which are obvious to the public, the internal environment of the Municipal Services Sector is suffering from several factors which are

highly related to the employees and their performance. Those factors are centralization, bureaucracy, autocracy, frustration due to less concentration on motivation's issues, low willingness to exert extra efforts to perform works and functions, delaying in executing and finishing the Municipal projects, absence of team work culture and practices, poor interpersonal and internal communications, less complying to the work's policies and rules. Periodical reports, continuous gathering and dialogues have indicated that the main factors which caused the internal environment obstacles toward well performance and exerting extra efforts are leadership and motivation.

Therefore, in general, it could be said that the less emphasis which has been put on the issues of leadership and motivation in the Municipal Services Sector has negatively affected its internal environment, especially on the employees and their performance.

Research Questions

This study is trying to answer the following research questions:

- 1. Does transformational leadership (measured by individualized consideration, intellectual stimulation, inspirational motivation, and idealized influence) have effect on motivating the direct followers to exert extra efforts in the Municipal Services Sector in the Kingdom of Bahrain?
- 2. Does transactional leadership (measured by management-by-exception (passive), management-by-exception (active), and contingent reward) have effect on motivating the direct followers to exert extra efforts in the Municipal Services Sector in the Kingdom of Bahrain?

- 3. Does laissez-faire have effect on motivating the direct followers to exert extra efforts in the Municipal Services Sector in the Kingdom of Bahrain?
- 4. Do gender, age, educational level, position, and years of work experience have moderating effects on the relationships between transformational leadership, transactional leadership and laissez-faire, and motivating the direct followers to exert extra efforts in the Municipal Services Sector in the Kingdom of Bahrain?

Research Objectives

This research is aiming to accomplish the following objectives:

- To examine the effect of transformational leadership on motivation in the Municipal Services Sector in the Kingdom of Bahrain.
- To examine the effect of transactional leadership on motivation in the Municipal Services Sector in the Kingdom in Bahrain.
- 3. To examine the effect of laissez-faire on motivation in the Municipal Services Sector in the Kingdom of Bahrain.
- 4. To examine whether gender, age, educational level, position, and years of work experience are affecting the relationships between transformational leadership, transactional leadership and laissez-faire, and motivation in the Municipal Services Sector in the Kingdom of Bahrain.

Research Hypotheses

This research is examining the following hypotheses:

H₁: Transformational leadership has significant effect on direct follower's motivation in the Municipal Services Sector in the Kingdom of Bahrain.

- H₀₁: Transformational leadership has no significant effect on direct follower's motivation in the Municipal Services Sector in the Kingdom of Bahrain.
- H₂: Transactional leadership has significant effect on direct follower's motivation in the Municipal Services Sector in the Kingdom of Bahrain.
- H₀₂: Transactional leadership has no significant effect on direct follower's motivation in the Municipal Services Sector in the Kingdom of Bahrain.
- H₃: Laissez-faire has significant effect on direct follower's motivation in the Municipal Services Sector in the Kingdom of Bahrain.
- H₀₃: Laissez-faire has no significant effect on direct follower's motivation in the Municipal Services Sector in the Kingdom of Bahrain.
- H₄: Gender, age, educational level, position, and years of work experience have moderating effects on the relationship between transformational leadership, transactional leadership and laissez-faire, and motivating the direct followers to exert extra efforts in the Municipal Services Sector in the Kingdom of Bahrain.
- H₀₄: Gender, age, educational level, position, and years of work experience have no moderating effects on the relationship between transformational leadership, transactional leadership and laissez-faire, and motivating the direct followers to exert extra efforts in the Municipal Services Sector in the Kingdom of Bahrain.