The Transactional and Transformational Leadership in the Kuwaiti Commercial Banks Sector: Which One Is More Applied?

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Abstract

This study aimed at knowing the transactional leadership and the transformational leadership in the Kuwaiti commercial banks sector: which one is more applied? The study's population consists of the Kuwaiti commercial banks employees. A sample consists of (150) male and female employees have been taken from the workers in the Kuwaiti Commercial banks, (123) questionnaires available for analysis have been retrieved.
The most important conclusions arrived to were as follows.
The transactional leadership is applied in a high level at the commercial banks in Kuwait, and the transformational leadership is also applied in a high level, and there is no differences with statistical significance at 0.05 level between application of transactional and transformational leadership in the Kuwaiti commercial banks.

Keywords: Transformational leadership, Transformation leadership, the Kuwaiti commercial banks.

Introduction

Leadership is considered one of the most effective factors in the group mobility, the organization activity, and in creating the necessary human interaction to achieve the individual and organization objectives alike. The human interactions are full with various interaction forms between the individual and the others. The influence of an individual on the others' feelings and behaviors is demonstrated in various forms, according to the personal and social variables. Such aspects became more important in the work fields in particular, where they play a significant role in influencing the work performance and the psychological trends of the workers and their satisfaction.

Therefore, it can be said that the leadership effectiveness does not appear in the non repeated situations, or in the short term commercial interactions or in the specified situations. The leader is connected to the others (the group) with an interactive repeated transactional relationships distinguished by stability, sustainability, growth and effectiveness (Al Shamma, and Khudair, 1999, P221).

The individuals are the essential element the organizations depend on the achieve their various objectives. They expend efforts and money to prepare them, and they grant them material and moral incentives, that enable them to obtain their various needs instead, organizations require the individuals loyalty and to presents distinguished performance to achieve their objectives efficiently and effectively.

In order to achieve the required change, it is necessary to find an enabling leadership, that can create intensified human resource able to accomplish. The real modernization lies in the way of preparing the human resources in the organization, and how to benefit of their abilities and skills and how to sustain such factors (Al-Motairi, 2011). Various alternatives for the leadership concept appeared such as the transactional leadership and transformational leadership. This study came to know which of them is more applied in the Kuwaiti commercial banks.

The study's justifications and importance

The importance of this study. Lies in being one of the important studies that handles the transactional and transformational leadership in the commercial banks. The study is conducted in order to know which of the two leaderships is more applied in the banks, either the transactional leadership or the transformational leadership.

The research's problem
This study attempts to answer the following questions:
    1- What is the extent of applying the transactional leadership in the Kuwaiti commercial banks?
    2- What is the extent of applying the transformational leadership in the Kuwaiti commercial banks?
    3- Which one is more applied, the transactional leadership or the transformational leadership in the Kuwaiti commercial banks?

The research's objectives
This research aims at the following:
    1- Knowing the extent of applying the transactional leadership in the Kuwaiti commercial banks.
    2- Knowing the extent of applying the transformational leadership in the Kuwaiti commercial banks.
    3- Knowing which one is more applied, in the Kuwaiti commercial banks, the transactional leadership or the transformational leadership.
    4- Presenting a group of results and recommendations in order to benefit from the research.

The research's hypothesizes
    1) Ho: The transactional leadership is not applied in the Kuwaiti commercial banks.
    2) Ho: The transformational leadership is not applied in the Kuwaiti commercial banks.
    3) Ho: There is no differences with statistical significancy at a trust level 0.05 between the level of applying the transformational leadership or the transactional leadership in the Kuwaiti commercial banks.

The theoretical Frame
In spite of the interest of many scientists, authors, and philosopher with studying the leadership subject, leadership remain a distinguished riddle and ambiguous subject. There is no agreement on one identification for this concept. Whoever, we will not attempt to list all the identifications, but we will mention some of the more detailed and inclusive identifications.

Leadership has been identified as the process of influencing the groups behavior and directing them towards achieving the required objectives (Robbins, 2003, P314).

While Buchanan & Huczynski (2004, P716), described the leadership as the process of controlling the groups activities, which are organized to set up the organization's objectives and achieving them.
(Bratton, et al, 2005, P9) expressed the leadership as a process of communication, directing and motivating to convey a future imaginations to the followers at the aim of creating the change processes in the organization.

Leadership is also a social process seeks to influence the individuals actions (subordinates) and their be3haviour and attitudes to work seriously and desirably to achieve common and desiarable objectives.

Some of the writers and researchers concentrate on the importance of the subordinate's role in the leadership process. The successful leader can find the motivation, enthusiasm, desire and the voluntary compliance with work and to comply with the leader's desires. The successful leader is influenced also by his subordinates compliance and by their motivations, needs and desires … et, therefore, leadership is a continuous social process (Hareem, 1998).

Leadership concept is developed, and the transformational leadership and the transactional leadership were introduced.

The transformational leadership is identified as a group of patterns based on the transactional process between the leader and the subordinates.
An agreement between the leader and the subordinates is reached explicitly or implicitly, where the behavior that lead to the satisfying Performance will be awarded with a promotion or an increase in the salary for instance, while the behavior that leads to on satisfying performance will result in a punishment such as the disciplinary transform or dismissing.

In other words, the leader rewards the followers or punish them, based on their performance, where the transactional process takes two different behaviors, where it is deductive, constructional through which the leader promise rewards for the satisfactory performance, or remedial related to that the leader looks for the mistakes and treats them before happing or after happening (Turner and Barling, 2002, P. 39).

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The transactional leadership style also can be identified as a transactional relationship its both parties are the leader and his followers, where each party expects a benefit from the other, where the necessary material for work is provided to complete the work, and the satisfactory performance is connected with rewards and the non satisfying performance is connected with punishments (Al-Mutairi, 2011).

Where as the transformational leadership, it is a leadership style that has a clear vision about the future and specified and clear and specified objectives that encourages the subordinates to participate in forming long term vision and specify real and clear objectives for the organization. In seeks to make the change, development, and the administrative growth continuously and builds a leading flexible systems that enable the adaptation with the current international developments and changes, and it is interested of the organized group work and building the teams. It works to find a healthy administrative environment based on understandings constructive dialogue, and participation between all the administrative levels. (Mohammad, 2006).

The transformational leadership, as its name implies, includes also an interactive human interaction between t he manager and the employee, through which each of them lifts and other to high levels of morals, incentives that exceed the personal interests and accomplish the organization's objectives (Bass, 1998).

Dimensions of the Transformational leadership

1- The idealized influence

It is the style by which the subordinates trust and simulate their leaders behaviors (Priyabhashini and Kirshana, 2005), and they embrace their values and commit to achieve their vision which maximize self confidence and the pride of participate with the leader. The transformational leaders minimize using their authorities for personal benefits, but they employ most of their capacity and experience to motivate the group towards visions related to their purposes (Hellriegel et al, 2001) and usually the leader seeks to persuade the subordinates and attract them for the group interest, and talking optimistically about the future and form an interesting pictures about the organizational change (Dionne and yammarino, 2004).

2- The inspirational motivation

It confirms the behaviour style and communication that direct the subordinates and makes them feel the work's value and challenges. The transformational leaders show a lot of enthusiasm and optimism that have a direct positive impact on the subordinates live and in force the feeling of the group spirit and inspire the others with what they say and do, their vision does not mislead the others, but enables them (Hellricgel et al, 2001).

3- The intellectual stimulation

It confirms the dimension of encouraging the subordinates to rethink ideas never presented. It is the rationale side of the leadership which includes testing the old assumptions which is used as entrances to solve many problems, but from new corners. The transformational leader focuses on (What) in the problem instead of (who) (Priyabhashini and Krishnan, 2005).

4- The individualized consideration

The humanitarian considerations look to more than developing the subordinates, it focuses on dealing with each subordinate as a distinguished person, which prevents the frustration among the subordinates. Usually, the transformational leaders express especial interest of their subordinates needs to achievement and growth. T hey represent the teacher, trainer and consultant. The open dialogue trains the subordinates on the listening skills, it is based on the rule of what the subordinate hears and not on what is said to him or taught to him. The transformational leaders enable their subordinates to take decisions, and they never stop supporting and directing them and assessing their progress (Hellriegel et al, 2001).

The transactional leadership styles

They include the following three styles:

The conditional reward

The leader exchange benefits with the subordinates, where he rewards those whom performance is good by using the positive enforcement, such as wage increment, promotion, or granting additional privileges (Mari', 2008).

The management by exception (Active):
When the leader observes and tests to predict the problems that might occur in order to take the corrective actions during their occurrence (Al-Helali, 2001).

The management by exception (Static)
Here the leader aroids the interference before the appearance of the results and discovering that they do not comply with the procedures or standards, and applying the suitable procedures for the subordinate such as warning, transforming or dismissing (Mari', 2008).

The relationship between the transactional and transformational leadership:

Transactional and transformational leadership are considered as twins as described by (Miller & Miller, 2001).

They intentioned the mutual relationship between the two styles of leadership, where the transformational leadership is built on the transactional leadership in some of its elements.

The transformational leadership can be considered as a special case of the transformational leadership, although both styles are connected to achieving the goal or some goals, they are different regarding the practical patterns where the leaders motivate the subordinates in connection with the goals they seek to accomplish. However, the leader can be transactional and transformational in the same time, as he can practice a transformational behaviour in a certain situation and a transactional situation in another situation (Al-Mutairi, 2011).

The previous studies

1- Mari's study (2008)

Aimed at measuring the influence of the above mentioned leaderships on the human resources performance at the Jordanian medicine manufactories analytical methodology.

Results of the statistical analysis indicated that the workers enjoy high levels of performance regarding the individual creative behavior, work persistence, the precision and quality of task achievement, and the relationships which others.

The results also showed existence of transformational and transactional leaders, while the number of transformational leaders in greater.

The transformational leadership influences positively each of the following factors: the individual creative behavior, the precision and quality of work accomplishment, Persistence on the work and the good relationship between the leaders and the subordinates. Regarding the transactional leadership, the results showed that the situational reward and the active management by exception influence the human resources positively with their various dimensions, while no relationships with statistical significance appeared between the static management by exception and the human resources performance, and also between the non interference Leadership and the human resources performance.

2- The study of (Brunch & Walter, 2007) aimed at field verification of the organizational structure impact on the transformational leaders behaviors and job satisfaction though its dimensions in regard with the idealized influence, the inspirational motivation, the intellectual simulation and the interest of the subordinates and respecting them. The study arrived to the following results:

- The majority of the leaders behavior is concentrated on the idealized influence, and the inspirational motivation at the high level management, and there is no differences in the leaders behaviors in the middle and high management levels regarding the intellectual simulation and the interest and respect of the subordinates.

The impact of the inspirational motivation and the intellectual simulation influence the job satisfaction equally at the high and middle management levels.

3- Study of Muijs et al, 2006 aimed at specifying the relationship between developing the leadership and the actual leadership level at the professional education sector in England.

The study adopted the case method for ten organizations selected as the most effective organizations regarding leadership in this sector, because they are the more performance developed during the last three years, as they were considered representing the sector because of the education and professions diversification in them, they are the most distinguished organization in regard with their leadership and the greatest in size. The surveying method was used for all t he workers in the high and middle management levels and the executive management in these organizations. Number of workers reached (5000).

The study included three standards for leadership.

- **The Transactional leadership**

It was related to presenting material incentive to motivate the workers and applying clear responsibility procedures.

- **The Transformational Leadership**

It is related to developing the workers skills and knowledge and conveying strong vision shows to where the organization is going.

- **The Distribution leadership**

It is connected to involving all the workers in the decision making process and developing the leadership ability for all the workers in the organization.

The study's results showed that the sample's members see that their leaders represent the transformational and transformational leadership styles, but the transformational style appears in a greater manner. While, there was no significancy on the distribution style.

The study also showed that the members of the study's sample see that the most effective style is the transformational style, and the qualitative data showed that there an existence of perception in these organizations, that the key of effectiveness and development is based on the transformational style which prevails in t hem.

4- Study of Hawkins (2002) aimed at testing the relationship between the leadership style (transformational or transactional) for the schools principals as perceived by teachers and the school climate in the public secondary schools in New Jersey.

The study's sample included nine principals and (133) teachers who work with them in these schools the tool of describing the organizational climate (OCDQ) has been used.

The researches directory is used for the school transformational leadership's impact which was developed by (Leith wood) is used. The results showed that the leadership behavior for the schools principals has a significant impact on the general climate in the school and that the more the leadership behavior inclines towards the supporting style and less towards the directing style the more the climate is opened, and that the transformation style of the management has more effectiveness in the open school climate.

The Study's Methodology

The descriptive analytical methodology has been adopted to conduct the study about the transformational and transactional leadership in the Kuwaiti commercial banks: which one is more applied?

They study's population and sample

The study's population is consisted of the employees of the Kuwaiti commercial banks. A proper sample of (150) employees have been selected from the Kuwaiti banks employees (males and females), (123) questionnaire available for analysis have been retrieved.

3-4 Sources of data collection

The questionnaire has been used as a main tool to collect the data, which contained two parts:

Part one: Contained the personal data for the samples members (Gender, experience period in the bank, the scientific qualification).

Part two: Contained a group of questions related to testing the variables of the study's subject.

Validity and Reliability
a. Validity:
The questionnaire has been evaluated by instructors from the Kuwaiti universities. Their remarks and comments were taken into consideration.
b. Reliability
Cronbach Alpha was used to test the reliability of the scale and α was (%86.2) for the total questionnaire which is good because it is greater than accepted percent (0.60). Also α was (%74.8) for Transformational Leadership and (%75.5) for Transactional Leadership which is good because it is greater than accepted percent (0.60) (Malhotra, 2004, p.268)

Data Analysis
Gathered data was coded and analyzed through using descriptive statistics. One sample t-test was used to test first and second hypothesis .Paired sample t test was used to test third hypothesis

Characteristics of the Sample
Table (1) shows the sample distribution according to the demographic variables. Figures show that the majority (69.9%) of the sample is males and only (30.1%) are females. Moreover, most observations (62.6%) have experience between 1-5 years As far as the educational levels, the table show that (81) observations of the sample (65.9%) have Bachelor degree.

Table (1) Sample Distribution

Variable	Frequency	%
Gender:		
Male	86	69.9
Female	37	30.1
Experience		
Less than one year	34	27.6
1-5 years	77	62.6
6-10 years	7	5.7
More than 10 years	5	4.1
Education level:		
Diploma or less	31	25.2
First University degree (Bachelor (B.A)	81	65.9
High studies	11	8.9

Descriptive Statistics :

Transactional Leadership

Table (2) Descriptive statistics for Transactional Leadership

	Mean	STD. Deviation
1. The manager motivates you when you achieve more than he expects from you.	3.8699	1.10853
2. The manager rewords the employee with distinguished performance.	4.0813	.97168
3. The manager thanks the employee who corrects his mistakes.	3.8293	1.21943
4. The employees are being involved in the decisions that affect than.	4.0000	1.21466
5. The manager praises the new creative methods of work performance.	4.1463	1.03767
6. The manager follows up all the influencing errors.	3.9268	.87937
7. The manager assures his trust to achieve the planned objectives.	4.0569	1.01868
8. The manager is keen to provide the employee with feed back about his performance.	4.1382	.80292
9. The manager provides the employee with all the necessary to achieve the planned standards.	4.0894	1.00823
10. The manager corrects the deviations continuously.	3.7317	1.12405
11. The manager does not interfere unless the problems became serious.	4.0894	1.01633
12. The manager waits until the problem in enlarged, then he takes the necessary action.	3.8618	.96941
13. The manager believes that no need for any action if the matters are good.	3.8211	.90565
14. The manager concentrates his interest on the exceptional mistakes and complaints, the he treats them.	4.2114	.79189
15. The manager concentrates his interest on setting up realistic and studied work standards.	4.3496	.67731

It was found that there are positive attitudes toward questions mentioned in above table because their means are above mean of the scale (3)

Transformational Leadership

Table (3) Descriptive statistics for Transformational Leadership

	Mean	STD. Deviation
1. The manager is concerned about what enforces increasing the employees respect.	4.0813	1.00485
2. The manager seeks to encourage the employees behaviors, that comply with the team members values.	4.1626	.90874
3. The manager seeks to embody the general interest over the personal interest in order to develop the work.	3.7886	1.09583
4. The manager raises the questions that motivate us to adopt new methods to improve the team work.	4.1301	1.00783
5. The manager believes that there is always creative solutions for the problems.	3.8780	.98001
6. The manger believes that there is always creative solutions for the problems.	3.8943	.87603
7. The manger seeks to raise enthusiasm to achieve the team work objectives.	4.2276	.79767
8. The manager expresses his trust of the group capabilities of the team members to reach their purposes.	4.3740	.67019
9. The manager prepares himself to confront the challenges that might result of the work changes.	4.1220	.98834
10. The manger seeks to provide opportunities for members of his team for the professional growth.	3.7317	1.12405
11. The manager seeks to know the needs and desires of his team.	4.1057	.97353
12. Communication with his team about their feelings, and showing a great deal of self respect.	3.8455	.95842

It was found that there are positive attitudes toward questions mentioned in above table because their means are above mean of the scale (3)

Hypothesis Testing:

The first null hypothesis "

Table (4)
Test of hypothesis (1)

t calculated	t Sig	Mean
23.412	0.000**	4.0136

** Significant at (0.01) level

One sample t- test was used to test above hypothesis and it was found that calculated value of (t) is significant at (0.01) which means that there

The second null hypothesis "

Table (5)
Test of hypothesis (2)

t calculated	t Sig	Mean
23.164	0.000**	4.0285

** Significant at (0.01) level

One sample t- test was used to test above hypothesis and it was found that calculated value of (t) is significant at (0.01) which means that there

The third null hypothesis "

Table (6)
Test of hypothesis (3)

t calculated	t Sig
-0.49	0.625

Paired sample t- test was used to test above hypothesis and it was found that calculated value of (t) is not significant at (0.05) which means that

The conclusions:
The researcher arrived to the following results:

1- The transactional Leadership style is highly implemented in the Kuwaiti commercial banks.
2- The transformational leadership style is highly implemented in the Kuwaiti commercial banks.
3- There is no differences with a statistical significance at 0.05 level between the level of implementing the transformational leadership and the transactional leadership in the Kuwaiti commercial banks, which indicates that the Kuwaiti commercial banks are interested of using the both mentioned leadership styles in they study, which confirms the existed relationship between them.

The Recommendations:
In the light of the study's results, the researcher presents the following recommendations:

1- It is necessary that the managers should involve the subordinates in the decision making process.
2-   It is necessary that each manager treats any problem in a radical manner in order not to influence the workers performance.
3- The banks should concentrate on developing the abilities of the individuals and administrators regarding correction of any deviations in their works.
4- The banks should concentrate on enabling the experienced workers who have knowledge.
5- It is necessary that the top management should be more interested in the conditional reward because it is important for the organization.
6- It is necessary to adopt an effective strategy to activate the role of the transactional and transformational leadership in regard with influencing the employees performance in the Kuwaiti commercial banks.

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