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Mary Coulter received her Ph.D. in Management from the University of Arkansas in Fayetteville. Before completing her graduate work, she held different jobs, including high school teacher, legal assistant, and government program planner. She has taught at Drury University, the University of Arkansas, Trinity University, and, since 1983, Missouri State University. Dr. Coulter’s research interests have focused on competitive strategies for not-for-profit arts organizations and the use of new media in the educational process. Her research on these and other topics has appeared in such journals as *International Journal of Business Disciplines, Journal of Business Strategies, Journal of Business Research, Journal of Nonprofit and Public Sector Marketing,* and *Case Research Journal.* In addition to Management, Dr. Coulter has published other books with Prentice Hall, including *Strategic Management in Action,* now in its fourth edition, and *Entrepreneurship in Action,* which is in its second edition. When she’s not busy teaching or writing, she enjoys pottering around in her flower gardens, trying new recipes, reading all different types of books, and enjoying many different activities with Ron, Sarah and James, and Katie and Matt.

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Foreword

We are really excited about this new Arab edition of the popular Robbins and Coulter management book. The best book in teaching the principles of management has just gotten better with a contextualization to the Arab world. One of the features of textbooks that originate in North America or Europe is that, while they are strong in conceptual and academic content, some students may not be able to identify well with the examples given or some of the concepts delivered. This is why the Arab edition keeps the essence of the content in the original edition but also integrates important adjustments that are more in line with local and regional needs and challenges. The Arab edition provides examples and cases from Arab managers and dwells on the application and manifestation of certain concepts and practices in the context of Arab companies and societies.

No single textbook can address all issues and problems for all audiences across the globe. Accordingly this regional edition, which retains the very important and significant global content, also addresses issues and concerns that are directly relevant to Arab societies. The adapting authors have done an excellent job in driving management concepts closer to home by providing pertinent examples and relevant case studies. We hope that this edition will be embraced by students across Arab universities and will cater closely to their needs. We strongly endorse this edition and we believe that it is a welcome addition to our textbook.

Stephen P. Robbins
Mary Coulter
We have been teaching management for many years now, mostly at the American University of Beirut (AUB), but also on special assignment in other Arab universities. Our students – despite the fact that they like many of the textbooks that they use – often ask about the relevance or applicability of some of the concepts, examples, or case studies. While running organizations and managing people are universal facts of work-life, there are cross-cultural differences that distinguish Arab management from what is encountered in other contexts.

The Arab edition that you have in your hands comes after a long wait. As far as we can tell, this is the first such attempt in the Arab world. There is no other textbook in management that we know of that has undergone such a vast and thorough contextualization to the Arab world. The end result is a book that is global in nature but takes into consideration the special context within which Arab organizations and managers operate.

**What’s new in the Arab World Edition**

Because the Robbins/Coulter management textbook is such a robust and popular book, we tried our best to build on its strong points. The textbook remains a brilliant management book that is an easy read without diluting any of the content that needs to be there for a student of management. Contextualization or adaptation does not mean only changing examples here and there. We often found ourselves needing to explore a topic in great detail when we felt it had a special significance in the Arab world. Every chapter has been adapted to integrate Arab business examples, profiles of Arab managers, and cultural/social insights. In addition, special new features have been added:

- Interviews with **Management Role Models in the Arab World** feature inspiring discussions with regional business leaders at the end of every Part of the book.
- **Meet the Manager** boxes appear throughout every chapter. These feature real Arab managers, whose comments relate chapter concepts to real-world experiences.
- **Arab Perspectives** boxes consider issues relevant to Arab managers.
- **Case Applications** at the end of every chapter give students an insight into actual business situations, with questions for discussion.
- **Insight Boxes** explore particular business issues around the themes of ethics, technology, and workforce diversity.
- An **English–Arab Glossary** is provided at the end of the book.

**Your Turn to be a Manager**

One of the hallmarks of this textbook has always been the wide variety of meaningful and useful learning experiences provided for you to use in your classes. We understand that students often benefit more from doing something than from a lecture, so we’ve retained written and interactive skill-building modules as well as interactive global, ethics, and diversity scenarios. In the YOUR TURN pedagogical material at the end of each chapter, you’ll find several suggestions for student activities, giving them numerous opportunities to see what being a manager is like. Students will research contemporary management topics, survey managers for advice and comments, and experience doing things that managers do (for instance, create an employee attitude
survey, assess an organization’s culture, develop a code of ethics). This hands-on feature will be beneficial for your students. In fact, you might want to have them create a manager’s portfolio that they can keep as a reference guide or resource for their first real management job.

**MyManagementLab**

We’re really excited about this feature. MyManagementLab is a powerful online tool that combines assessment, reporting, and personalized study to help both students and instructors succeed. MyManagementLab gives students the opportunity to test themselves on key concepts and skills, track their own progress through the course, and use the personalized study plan activities—all to help achieve success in the classroom. MyManagementLab is designed to save instructors time by providing quality feedback and ongoing individualized assessment for students, as well as an easy-to-use method for organizing and adapting course materials, including assignable homework. Now you’ll have the time to get your students excited about management. You can access MyManagementLab at www.pearsoned.co.uk/awe/robbins.

**Instructor Supplements**

Instructors can access a variety of print, digital, and presentation resources available with this text in downloadable format at the Instructors Resource Center, accessible via this link: www.pearsoned.co.uk/awe/robbins. Registration is simple and gives you immediate access to new titles and new editions. As a registered faculty member, you can download resource files and receive immediate access to and instructions for installing course management content on your campus server.

The following supplements are available for download to adopting instructors:

- Instructor’s Manual
- TestGen (test-generating program)
- PowerPoint Slides

This adaptation would not have been possible without the help of many people. We would like to thank H. E. Najib Mikati for his continuous support through the Mikati CSR Initiative at the Olayan School of Business, AUB. Rasheed Roussan was an early believer in this project and supported it all the way. Sarah Wightman followed relentlessly the whole manuscript from start to finish. Her feedback, follow-up, and support were extremely valuable throughout the whole process. Fay Gibbons and Kate Sherington also worked on different parts of the project. Mirvat Kanso was instrumental in the whole process, collecting data from disperse sources and editing them to fit our purposes. Aline Yacoubian and Esraa Haidar also helped in various stages of the adaptation.

We sincerely hope you enjoy this Arab World Edition.

Yusuf Sidani

Dima Jamali
Leaders in organizations make things happen. But what makes leaders different from nonleaders? What is the most appropriate style of leadership? What can you do to be seen as a leader? Those are just a few of the questions we will try to answer in this chapter. Focus on the following learning outcomes as you read and study this chapter.

**LEARNING OUTCOMES**

- **16.1** Define leaders and leadership. page 388
- **16.2** Describe historical leadership in the Arab world. page 389
- **16.3** Compare and contrast early theories of leadership. page 391
- **16.4** Describe the three major contingency theories of leadership. page 395
- **16.5** Describe contemporary views of leadership. page 399
- **16.6** Discuss twenty-first-century issues affecting leadership. page 401
Meet the Managers

Mona Bawarshi
CEO, Al-Gezairi Transport, Beirut, Lebanon

WHAT IS YOUR JOB? Doing a lot of management of people to enable forwarding of cargo to happen. I [handle] the logistics of people who do the logistics of cargo, packing, storage and transport.

WHAT IS THE BEST PART OF YOUR JOB? People.
WHAT IS THE WORST PART OF YOUR JOB? People.
WHAT IS THE BEST MANAGEMENT ADVICE YOU HAVE RECEIVED?
Listen to your gut feeling as a push forward in your decision.

Zouhair Eloudghiri
CEO of Foods Sector, Savola Group, Saudi Arabia

WHAT IS YOUR JOB? Leading six edible oils business units across the Middle East region, with six manufacturing plants, a turnover of US$1.5 billion, and profit of US$160 million.

WHAT IS THE BEST PART OF YOUR JOB? Coaching executives to innovate for the consumer and optimize costs to deliver best value.

WHAT IS THE WORST PART OF YOUR JOB? Making the tough decisions about non-performing executives who are asked to go find a better fit to their skills.

WHAT IS THE BEST MANAGEMENT ADVICE YOU HAVE RECEIVED? Hire the best, coach them, and delegate the maximum to them.

You will be hearing more from these real managers throughout the chapter.
Let's begin by clarifying who leaders are and what leadership is. Our definition of a leader is someone who can influence others and who has managerial authority. Leadership is the process of leading a group and influencing that group to achieve its goals.

Are all managers leaders? Because leading is one of the four management functions, ideally all managers should be leaders. Thus, we are going to study leaders and leadership from a managerial perspective. However, even though we are looking at these from a managerial perspective, we are aware that informal leaders often emerge in groups. Although these informal leaders may be able to influence others, they have not been the focus of most leadership research and are not the types of leaders we are studying in this chapter.

Leaders and leadership, like motivation, are organizational behavior topics that have been researched a lot. Most of that research has been aimed at answering...
the question, “What is an effective leader?” We will begin our study of leadership by looking at some early leadership theories that attempted to answer that question.

**LEARNING OUTCOME 16.1**
- Define leader and leadership.
- Explain why managers should be leaders.

**HISTORICAL LEADERSHIP IN THE ARAB WORLD**

**IBN KHALDUN CONCEPTION OF LEADERSHIP**

According to Islamic teachings, a leader is a person who has the attributes of honesty, competence, inspiration, humility, patience, and seeks consultation from others. They do acknowledge that leaders who have all of these attributes are rare, but this represents an ideal that leaders, in politics or in business, should strive to achieve. Likewise, leading monks in Christian monasteries in Mount Lebanon would undoubtedly require exceptional leaders.

Aside from the religious conception of leaders, leadership – as a social phenomenon – has a long history in the Arab world. Ibn Khaldun was probably the first to specify what leadership is and how it is formed. Although he was mainly interested in political leadership, his conceptualization is important for understanding leadership in any context, business or non-business, especially in this region of the world. Ibn Khaldun was born in Tunis in the year 1332. His life was characterized by significant (although mostly not successful) political undertaking and intellectual enterprise. After being imprisoned for two years, he secluded himself in a fortress and started writing his version of the history of the world. He finished his most important book, the Muqaddimah (Prolegomena or the Introduction), in the year 1377. In the Muqaddimah, Ibn Khaldun emphasizes the personal qualities of the leader. He calls those qualities “perfecting details.” Such qualities include generosity, forgiveness of error, patience and perseverance, hospitality toward guests, maintenance of the indigent, patience in unpleasant situations, execution of commitments, respect for the religious law, reverence for old men and teachers, fairness, meekness, consideration to the needs of followers, adherence to the obligations of religious laws, and avoidance of deception and fraud. Good leadership, according to Ibn Khaldun, requires kindness to, and protection of, subjects. He emphasizes the need of the leader to be mild to his followers and to gain their love. He notes, probably surprisingly, that a leader should not be too shrewd. This is the case because such a quality would distance him from his subjects.

**THE ROLE OF ASABIYA**

Many leaders fail, in Ibn Khaldun’s opinion, because of their inability to understand the significance of *asabiya* (“group feeling” or “group bond”). Asabiya stems from blood ties and alliances, with the former having the most weight in fostering the leadership bond. While blood ties may be discounted in the West as a source of leadership, one can only review recent organizational history in the Middle East and North Africa to see how much blood ties are instrumental in leadership.

---

**Leader**
A person who can influence others and who has managerial authority.

**Leadership**
A process of influencing a group to achieve goals.
emergence. In recent Middle Eastern societies, leadership emergence is sometimes greatly aided by descent. This is the case in political situations and also in business organizations.

THE PROPHETIC-CALIPHAL MODEL OF LEADERSHIP

Addressing leadership in Arab contexts, several authors have noted the tribal conception of leadership that seems to typify many Arab organizations. The “sheikh” is not necessarily the autocratic leader to whom everybody listens. On the contrary, he is a person who continuously seeks the advice of his followers and interacts with them. These interactions signify what is termed “sheikhocracy.”

One of the relevant models for leadership in Arab contexts is the one put forward by Bashir Khadra, who proposed a prophetic-caliphal model of leadership in the Arab world (Exhibit 16–1). This model consists of four elements: (1) personalism, (2) individualism, (3) lack of institutionalization, and (4) the importance of the great man. Personalism refers to the egocentric view that a person has in relation to others. It refers to the degree that a person insists on his personal opinion and the degree of concern and emphasis he has on himself. Individualism means making decisions or actions that do not take into account the opinions of the group. The combination of personalism and individualism leads to a lack of institutional development. Leadership is thus more vested in the person, rather than being vested in an institution. In cases of conflict or succession, there is no institution to fill the vacuum. The vacuum is alternatively filled by an expectation of the “great man.” If the expected great man really turns out to be a great man, then we have a “prophetic” type of leader whose relationship with followers depends on love and compassion and voluntary compliance. If on the other hand, the expected great man turns out to be an “ordinary man” then the only way to ensure follower compliance is through coercion and authoritarianism.

QUICK LEARNING REVIEW:

LEARNING OUTCOME 16.2

- Understanding leadership from an Arab perspective.
- Describe the concept of asabiya.
- Explain the prophetic-caliphal leadership model.

Go to page 409 to see how well you know this material.
People have been interested in leadership since they started coming together in groups to accomplish goals. The twentieth century witnessed a growing interest in the study of leadership. These early leadership theories focused on the leader (trait theories) and how the leader interacted with his or her group members (behavioral theories).

**EARLY LEADERSHIP THEORIES**

Leadership research in the 1920s and 1930s focused on isolating leader traits, that is, characteristics that would differentiate leaders from nonleaders. Some of the traits studied included physical stature, appearance, social class, emotional stability, fluency of speech, and sociability. Despite the best efforts of researchers, it proved impossible to identify a set of traits that would always differentiate a leader (the person) from a nonleader. Maybe it was a bit optimistic to think that there could be consistent and unique traits that would apply universally to all effective leaders, no matter whether they were in charge of Toyota Motor Corporation, Orascom Telecom in Egypt, the King Abdullah Economic City in Saudi Arabia, the emirate of Dubai, a local sports club, or Cairo University. However, later attempts to identify traits consistently associated with leadership (the process, not the person) were more successful. The seven traits shown to be associated with effective leadership are described briefly in Exhibit 16–2.¹

Researchers eventually recognized that traits alone were not sufficient for identifying effective leaders because explanations based solely on traits ignored the interactions of leaders and their group members as well as situational factors. Possessing the appropriate traits only made it more likely that an individual would be an effective leader. Therefore, leadership research from the late 1940s to the mid-1960s

### Exhibit 16–2

<table>
<thead>
<tr>
<th>Seven Traits Associated with Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Drive.</strong> Leaders exhibit a high effort level. They have a relatively high desire for achievement, they are ambitious, they have a lot of energy, they are tirelessly persistent in their activities, and they show initiative.</td>
</tr>
<tr>
<td><strong>2. Desire to lead.</strong> Leaders have a strong desire to influence and lead others. They demonstrate the willingness to take responsibility.</td>
</tr>
<tr>
<td><strong>3. Honesty and integrity.</strong> Leaders build trusting relationships with followers by being truthful or nondeceitful and by showing high consistency between word and deed.</td>
</tr>
<tr>
<td><strong>4. Self-confidence.</strong> Followers look to leaders for an absence of self-doubt. Leaders, therefore, need to show self-confidence in order to convince followers of the rightness of their goals and decisions.</td>
</tr>
<tr>
<td><strong>5. Intelligence.</strong> Leaders need to be intelligent enough to gather, synthesize, and interpret large amounts of information, and they need to be able to create visions, solve problems, and make correct decisions.</td>
</tr>
<tr>
<td><strong>6. Job-relevant knowledge.</strong> Effective leaders have a high degree of knowledge about the company, industry, and technical matters. In-depth knowledge allows leaders to make well-informed decisions and to understand the implications of those decisions.</td>
</tr>
<tr>
<td><strong>7. Extraversion.</strong> Leaders are energetic, lively people. They are sociable, assertive, and rarely silent or withdrawn.</td>
</tr>
</tbody>
</table>

concentrated on the preferred behavioral styles that leaders demonstrated. Researchers wondered whether there was something unique in what effective leaders did – in other words, in their behavior.

**BEHAVIOR THEORIES**

Mutasim Mahmassani is the general manager of Al Baraka Bank in Lebanon. He is an ardent believer in teamwork, arguing that “[t]he institution cannot survive on individual efforts but collective ones, provided individual achievements are properly recognized.”[^10] Mahmassani encourages employees’ participation, helping them realize their full potential. His on-the-job behavior mimics his beliefs: he is considerate, pleasant, and friendly, while not compromising on effectiveness. Contrast this style with the style of another manager described as “blunt, sarcastic, tactless, and tough.” What would the impact be on the followers of each of these two leaders?

Researchers hoped that the **behavioral theories** approach would provide more definitive answers about the nature of leadership than the trait theories. The four main leader behavior studies are summarized in Exhibit 16–3.

**University of Iowa studies.** The University of Iowa Studies, conducted in the United States, explored three leadership styles to find which was the most effective.^11^ The **autocratic style** described a leader who dictated work methods, made unilateral decisions, and limited employee participation. The **democratic style** described a

<table>
<thead>
<tr>
<th>Behavioral Dimension</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>University of Iowa</strong></td>
<td>Democratic style: involving subordinates, delegating authority, and encouraging participation</td>
</tr>
<tr>
<td></td>
<td>Autocratic style: dictating work methods, centralizing decision making, and limiting participation</td>
</tr>
<tr>
<td></td>
<td>Laissez-faire style: giving group freedom to make decisions and complete work</td>
</tr>
<tr>
<td><strong>Ohio State</strong></td>
<td>Consideration: being considerate of followers’ ideas and feelings</td>
</tr>
<tr>
<td></td>
<td>Initiating structure: structuring work and work relationships to meet job goals</td>
</tr>
<tr>
<td><strong>University of Michigan</strong></td>
<td>Employee oriented: emphasized interpersonal relationships and taking care of employees’ needs</td>
</tr>
<tr>
<td></td>
<td>Production oriented: emphasized technical or task aspects of job</td>
</tr>
<tr>
<td><strong>Managerial Grid</strong></td>
<td>Concern for people: measured leader’s concern for subordinates on a scale of 1 to 9 (low to high)</td>
</tr>
<tr>
<td></td>
<td>Concern for production: measured leader’s concern for getting job done on a scale 1 to 9 (low to high)</td>
</tr>
</tbody>
</table>

[^10]: Mahmassani encourages employees’ participation, helping them realize their full potential.
[^11]: The **autocratic style** described a leader who dictated work methods, made unilateral decisions, and limited employee participation. The **democratic style** described a
leader who involved employees in decision making, delegated authority, and used feedback as an opportunity for coaching employees. Finally, the laissez-faire style described a leader who let the group make decisions and complete the work in whatever way it saw fit. The researchers’ results seemed to indicate that the democratic style contributed to both good quantity and quality of work. Had the answer to the question of the most effective leadership style been found? Unfortunately, it was not that simple. Later studies of the autocratic and democratic style showed mixed results. For instance, the democratic style sometimes produced higher performance levels than the autocratic style, but at other times, it did not. However, more consistent results were found when a measure of employee satisfaction was used. Group members were more satisfied under a democratic leader than under an autocratic one.  

Now leaders had a dilemma! Should they focus on achieving higher performance or on achieving higher member satisfaction? This recognition of the dual nature of a leader’s behavior, that is, the need to focus on the task and also focus on the people, was a key factor in other behavioral studies, too.

The Ohio State studies. The Ohio State University studies, also conducted in the United States, identified two important dimensions of leader behavior. Beginning with a list of more than 1,000 behavioral dimensions, the researchers eventually narrowed it down to just two that accounted for most of the leadership behavior described by group members. The first dimension, called initiating structure, referred to the extent to which a leader defined his or her role, and the roles of group members, in attaining goals. It included behaviors that involved attempts to organize work, work relationships, and goals. The second dimension, called consideration, was defined as the extent to which a leader had work relationships characterized by mutual trust and respect for group members’ ideas and feelings. A leader who was high in consideration helped group members with personal problems, was friendly and approachable, and treated all group members as equals. He or she showed concern for (was considerate of) his or her followers’ comfort, well-being, status, and satisfaction. Research found that a leader who was high in both initiating structure and consideration (a high-high leader) sometimes achieved high group task performance and high group member satisfaction, but not always.

University of Michigan studies. Leadership studies conducted in the United States at the University of Michigan, at about the same time as those being done at Ohio State, also hoped to identify behavioral characteristic of leaders that were related to performance effectiveness. The Michigan group also came up with two dimensions of leadership behavior, which they labeled employee or oriented and production oriented. Leaders who were employee oriented were described as emphasizing interpersonal relationships. The production-oriented leaders, in contrast, tended to emphasize the task aspects of the job. Unlike the other studies, the Michigan studies concluded that leaders who were employee oriented were able to get high group productivity and high group member satisfaction.
The Managerial Grid. The behavioral dimensions from the early leadership studies provided the basis for the development of a two-dimensional grid for appraising leadership styles. The managerial grid used the behavioral dimensions “concern for people” and “concern for production” and evaluated a leader’s use of these behaviors, ranking them on a scale from 1 (low) to 9 (high). Although the grid (shown in Exhibit 16–4) had 81 potential categories into which a leader’s behavioral style might fall, only five styles were named: impoverished management (1,1), task management (9,1), middle-of-the-road management (5,5), country club management (1,9), and team management (9,9). Of these five styles, the researchers concluded that managers performed best when using a 9,9 style. Unfortunately, the grid offered no explanations about what made a manager an effective leader; it only provided a framework for conceptualizing leadership style. In fact, there is little substantive evidence to support the conclusion that a 9,9 style is most effective in all situations.

Leadership researchers were discovering that predicating leadership success involved something more complex than isolating a few leader traits or preferable behaviors. They began looking at situational influences. Specifically, which leadership styles might be suitable in different situations, and what were these different situations?
CONTINGENCY THEORIES OF LEADERSHIP

“The corporate world is filled with stories of leaders who failed to achieve greatness because they failed to understand the context they were working in.” In this section, we examine three contingency theories: the Fiedler model, Hersey and Blanchard’s situational leadership theory, and path–goal theory. Each of these theories looks at defining leadership style and the situation, and it attempts to answer the if-then contingencies (that is, if this is the context or situation, then this is the best leadership style to use).

THE FIEDLER MODEL

The first comprehensive contingency model for leadership was developed by Fred Fiedler. The Fiedler contingency model proposed that effective group performance depended on properly matching the leader’s style and the amount of control and influence in the situation. The model was based on the premise that a certain leadership style would be most effective in different types of situations. The keys were to (1) define those leadership styles and the different types of situations and then (2) identify the appropriate combinations of style and situation.

Fiedler proposed that a key factor in leadership success was an individual’s basic leadership style, either task oriented or relationship oriented. Fiedler assumed that a person’s leadership style was fixed, regardless of the situation. In other words, if you were a relationship-oriented leader, you would always be one, and if you were a task-oriented leader, you would always be one.

Fiedler’s research uncovered three contingency dimensions that defined the key situational factors in leader effectiveness:

- **Leader–member relations:** the degree of confidence, trust, and respect employees had for their leader, rated as either good or poor.
- **Task structure:** the degree to which job assignments were formalized and structured, rated as either high or low.
- **Position power:** The degree of influence a leader had over activities such as hiring, firing, discipline, promotions, and salary increases, rated as either strong or weak.

Each leadership situation was evaluated in terms of these three contingency variables, which when combined produced eight possible situations that were either favorable or unfavorable for the leader (see the bottom of Exhibit 16–5). Situations I, II, and III were classified as highly favorable for the leader. Situations IV, V, and VI were moderately favorable for the leader. And situations VII and VIII were described as highly unfavorable for the leader.

Once Fiedler had described the leader variables and the situational variables, he had everything he needed to define the specific contingencies for leadership effectiveness. He concluded that task-oriented leaders performed better in very favorable
situations and in very unfavorable situations. (See the top of Exhibit 16–5, where performance is shown on the vertical axis and situation favorableness is shown on the horizontal axis). On the other hand, relationship-oriented leaders performed better in moderately favorable situations.

Because Fiedler treated an individual’s leadership style as fixed, there were only two ways to improve leader effectiveness. First, you could bring in a new leader whose style better fits the situation. For instance, if the group situation was highly unfavorable but was led by a relationship-oriented leader, the group’s performance could be improved by replacing that person with a task-oriented leader. The second alternative was to change the situation to fit the leader. This could be done by restructuring tasks, by increasing or decreasing the power that the leader had over factors such as salary increases, promotions, and disciplinary actions, or by improving the leader–member relations.

Research testing the overall validity of Fiedler’s model has shown considerable evidence in support of the model. However, his theory was not without criticisms. The major criticism is that it is probably unrealistic to assume that a person cannot change his or her leadership style to fit the situation. Effective leaders can, and do, change their styles. Finally, the situation variables were difficult to assess. Despite its shortcomings, the Fiedler model showed that effective leadership style needed to reflect situational factors.

HERSEY AND BLANCHARD’S SITUATIONAL LEADERSHIP THEORY

Paul Hersey and Ken Blanchard developed a leadership theory that has gained a strong following among management development specialists. This model, called Situational Leadership Theory (SLT), is a contingency theory that focuses on followers’ readiness. Before we proceed, there are two points we need to clarify: why a leadership theory focuses on the followers and what is meant by the term readiness.

The emphasis on the followers in leadership effectiveness reflects the reality that it is the followers who accept or reject the leader. Regardless of what the leader does, the group’s effectiveness depends on the actions of the followers. This is an important dimension that most leadership theories have overlooked or underemphasized. Readiness, as defined by Hersey and Blanchard, refers to the extent to which people have the ability and willingness to accomplish a specific task.
SLT uses the same two leadership dimensions that Fiedler identified: task and relationship behavior. However, Hersey and Blanchard go a step further by considering each as either high or low and then combining them into four specific leadership styles:

- **Telling** (high task–low relationship): The leader defines roles and tells people what, how, when, and where to do various tasks.
- **Selling** (high task–high relationship): The leader provides both directive and supportive behavior.
- **Participating** (low task–high relationship): The leader and the followers share in decision making, the main role of the leader is facilitating and communicating.
- **Delegating** (low task–low relationship): The leader provides little direction or support.

The final component in the SLT model is the four stages of follower readiness:

- **R1**—People are both unable and unwilling to take responsibility for doing something. Followers are not competent or confident.
- **R2**—People are unable but willing to do the necessary job tasks. Followers are motivated but lack the appropriate skills.
- **R3**—People are able but unwilling to do what the leader wants. Followers are competent but do not want to do something.
- **R4**—People are both able and willing to do what is asked of them.

SLT essentially views the leader–follower relationship as like that of a parent and a child. Just as a parent needs to relinquish control when a child becomes more mature and responsible, so, too, should leaders. As followers reach higher levels of readiness, the leader responds not only by decreasing control over their activities but also by decreasing relationship behaviors. The SLT says if followers are at R1 (unable and unwilling to do a task), the leader needs to use the telling style and give clear and specific directions. If followers are at R2 (unable and willing), the leader needs to use the selling style and display high task orientation to compensate for the followers’ lack of ability, and high relationship orientation to get followers to “buy into” the leaders desires. If followers are at R3 (able and unwilling), the leader needs to use the participating style to gain their support, and if employees are at R4 (both able and willing), the leader does not need to do much and should use the delegating style.

SLT has intuitive appeal. It acknowledges the importance of followers and builds on the logic that leaders can compensate for ability and motivational limitations in their followers. However, research efforts to test and support the theory have generally been disappointing. Possible explanations include internal inconsistencies in the model as well as problems with research methodology. Despite its appeal and wide popularity, we have to be cautious about any enthusiastic endorsements of SLT.

**PATH–GOAL THEORY**

Currently, one of the most respected approaches to understanding leadership is **path–goal theory**, which states that the leader’s job is to assist followers in attaining their goals and to provide direction or support to ensure that their goals are compatible with the goals of the group or organization. Developed by Robert House, path–goal theory takes key elements from the expectancy theory of motivation. The term
path–goal is derived from the belief that effective leaders clarify the path to help their followers get from where they are to the achievement of their work goals, and make the journey along the path easier by reducing roadblocks and pitfalls.

House identified four leadership behaviors:

- **Directive leader:** The leader lets subordinates know what is expected of them, schedules work to be done, and gives specific guidance on how to accomplish tasks.
- **Supportive leader:** The leader shows concern for the needs of followers and is friendly.
- **Participative leader:** The leader consults with group members and uses their suggestions before making a decision.
- **Achievement-oriented leader:** The leader sets challenging goals and expects followers to perform at their highest level.

In contrast to Fiedler’s view that a leader could not change his or her behavior, House assumed that leaders are flexible and can display any or all of these leadership styles depending on the situation (Exhibit 16–6).

As Exhibit 16–6 illustrates, path–goal theory proposes two situational or contingency variables that moderate the leadership behavior–outcome relationship: those in the environment that are outside the control of the follower (factors including **task structure**, formal authority system, and the work group) and those that are part of the personal characteristics of the follower (including locus of control, experience, and perceived ability). Environmental factors determine the type of leader behavior required if subordinate outcomes are to be maximized; personal characteristics of the follower determine how the environment and leader behavior are interpreted. The theory proposes that a leader’s behavior will not be effective if it is redundant with what the environmental structure is providing, or is incongruent with follower characteristics. For example, the following are some predictions from path–goal theory:

- Directive leadership leads to greater satisfaction when tasks are ambiguous or stressful than when they are highly structured and well laid out. The followers are not sure what to do, so the leader needs to give them some direction.
- Supportive leadership results in high employee performance and satisfaction when subordinates are performing structured tasks. In this situation, the leader only needs to support followers, not tell them what to do.

<table>
<thead>
<tr>
<th>Environmental Contingency Factors</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Task Structure</strong></td>
<td><strong>Performance</strong></td>
</tr>
<tr>
<td><strong>Formal Authority System</strong></td>
<td><strong>Satisfaction</strong></td>
</tr>
<tr>
<td><strong>Work Group</strong></td>
<td></td>
</tr>
</tbody>
</table>

| Subordinate Contingency Factors   | |
|----------------------------------| |
| **Locus of Control**             | |
| **Experience**                   | |
| **Perceived Ability**            | |

**Exhibit 16–6**
Path–Goal Model
• Directive leadership is likely to be perceived as redundant among subordinates with high perceived ability or with considerable experience. These followers are quite capable, so they do not need a leader to tell them what to do.

• The clearer and more bureaucratic the formal authority relationships, the more leaders should exhibit supportive behavior and de-emphasize directive behavior. The organizational situation has provided the structure as far as what is expected of followers, so the leader’s role is simply to support.

• Directive leadership will foster higher employee satisfaction when there is substantive conflict within a work group. In this situation, the followers need a leader who will take charge.

• Subordinates with an internal locus of control will be more satisfied with a participative style. Because these followers believe that they control what happens to them, they prefer to participate in decisions.

• Subordinates with an external locus of control will be more satisfied with a directive style. These followers believe that what happens to them is a result of the external environment, so they would prefer a leader who tells them what to do.

• Achievement-oriented leadership will increase subordinates’ expectations that effort will lead to high performance when tasks are ambiguously structured. By setting challenging goals, followers know what the expectations are.

Research on the path–goal model is generally encouraging. Although not every study has found support for the model, the majority of the evidence supports the logic underlying the theory. In summary, an employee’s performance and satisfaction are likely to be positively influenced when a leader chooses a leadership style that compensates for shortcomings in either the employee or the work setting. However, if a leader spends time explaining tasks that are already clear or when an employee has the ability and experience to handle tasks without interference, the employee is likely to see such directive behavior as redundant or even insulting.

QUICK LEARNING REVIEW:

LEARNING OUTCOME 16.4

• Explain Fiedler’s contingency model of leadership.
• Describe situational leadership theory.
• Discuss how path–goal theory explains leadership.

Go to page 410 to see how well you know this material.

LEARNING OUTCOMES 16.5

CONTEMPORARY VIEWS OF LEADERSHIP

What are the latest views of leadership? There are two we want to look at: transformational–transactional leadership and team leadership.

TRANSFORMATIONAL–TRANSACTIONAL LEADERSHIP

Many early leadership theories viewed leaders as transactional leaders, that is, leaders who led primarily by using social exchanges (or transactions). Transactional leaders guide or motivate followers to work toward established goals by exchanging
“I want to create something interesting and not be repetitive,” says Esam Janahi. As chairman of Gulf Finance House (GFH), an Islamic investment bank, Janahi plays a key role in one of the region’s most powerful establishments. His leadership seems to be innate. “I started to look at things in a different way to others,” he says. “Others will tell you, ‘it can’t happen, it won’t happen, it’s too difficult’...” Janahi is the type of leader who is always on the lookout for new opportunities, not hesitating to take risks where necessary.  

In a study assessing the formation and development of Jordan’s King Hussein Cancer Center (KHCC), one of the top cancer centers in the Middle East researchers have attributed the success of this center to transformational leadership. Leaders used the four pillars of transformational leadership to revamp this entity from an impoverished and “ineffectual care institution” into a world-class comprehensive care center. The four pillars – inspirational motivation, idealized influence, individualized consideration, and intellectual stimulation – contributed to the success and had an impressive impact on workers and stakeholders.

Transactional and transformational leadership should not be viewed as opposing approaches to getting things done. Transformational leadership develops from transactional leadership. Transformational leadership produces levels of employee effort and performance that go beyond what would occur with a transactional approach alone. Moreover, transformational leadership is more than charisma because a transformational leader attempts to instill in followers the ability to question not only established views but views held by the leader.

The evidence supporting the superiority of transformational leadership over transactional leadership is overwhelmingly impressive. For instance, studies that looked at managers in different settings, in Western contexts and also in the Arab world, found that transformational leaders were evaluated as more effective, higher performers, more promotable than their transactional counterparts, and more interpersonally sensitive. In addition, evidence indicates that transformational leadership is strongly correlated with lower turnover rates and higher levels of productivity, employee satisfaction, creativity, goal attainment, and follower well-being.

In a study assessing the formation and development of Jordan’s King Hussein Cancer Center (KHCC), one of the top cancer centers in the Middle East researchers have attributed the success of this center to transformational leadership. Leaders used the four pillars of transformational leadership to revamp this entity from an impoverished and “ineffectual care institution” into a world-class comprehensive care center. The four pillars – inspirational motivation, idealized influence, individualized consideration, and intellectual stimulation – contributed to the success and had an impressive impact on workers and stakeholders.

Rewards for their productivity. But there is another type of leader, a transformational leader, who stimulates and inspires (transforms) followers to achieve extraordinary outcomes. Transformational leaders are charismatic leaders. A charismatic leader is an enthusiastic and self-confident leader whose personality and actions influence people to behave in certain ways. But transformational leadership goes beyond just being charismatic. Transformational leaders are perceived by their followers to be inspirational, with the ability to intellectually stimulate them. Contemporary business examples in the Arab world would include Esam Janahi, chairman, of Gulf Finance House, one of the most successful and innovative Islamic investment banks in the Middle East. Such leaders pay attention to the concerns and developmental needs of individual followers: they help followers look at old problems in new ways, and they are able to excite, arouse, and inspire followers to exert extra effort to achieve group goals.
Team Leadership. Because leadership is increasingly taking place within a team context and more organizations are using work teams, the role of the leader in guiding team members has become increasingly important.

Many leaders are not equipped to handle the change to employee teams. As one consultant noted, “Even the most capable managers have trouble making the transition because all the command-and-control type things they were encouraged to do before are no longer appropriate. There’s no reason to have any skill or sense of this.”31 This same consultant estimated that 15 percent of managers are natural team leaders. Another 15 percent could never lead a team because it runs counter to their personality; that is, they are unable to sublimate their dominating style for the good of the team. Then there is a group in the middle: team leadership does not come naturally to them, but they can learn it.

The challenge for many managers is learning how to become an effective team leader. They have learned skills such as sharing information patiently, being able to trust others and give up authority, and understanding when to intervene. And effective team leaders have mastered the difficult balancing act of knowing when to leave their teams alone and when to get involved. New team leaders may try to retain too much control at a time when team members need more autonomy, or they may abandon their teams at times when the teams need support and help.32

LEADERSHIP ISSUES IN THE TWENTY-FIRST CENTURY

It is not easy being a chief executive officer (CEO) today. This person, who is responsible for managing a company, faces a lot of external and internal challenges, especially when that person is a woman. Mona Bawarshi, CEO of a Lebanese shipping company, Al-Gezairi Transport Company, which does business all over the Middle East, is constantly dealing with such challenges. If anything goes wrong, she is the person held responsible.

For most leaders, leading effectively in today’s environment is unlikely to involve the challenging circumstances Bawarshi faces. However, twenty-first-century leaders do deal with some important leadership issues. In this section, we look at some of these issues: managing power, developing trust, empowering employees, leading across cultures, understanding gender differences in leadership, and becoming an effective leader.

MANAGING POWER

Where do leaders get their power; that is, their capacity to influence work actions or decisions? Five sources of leader power have been identified: legitimate, coercive, reward, expert, and referent.33
Legitimate power and authority are the same. Legitimate power represents the power a leader has as a result of his or her position in the organization. Although people in positions of authority are also likely to have reward and coercive power, legitimate power is broader than the power to coerce and reward.

Coercive power is the power a leader has to punish or control. Followers react to this power out of fear of the negative results that might occur if they do not comply. Managers typically have some coercive power, such as being able to suspend or demote employees or to assign them work they find unpleasant or undesirable.

Reward power is the power to give positive rewards. These can be anything that a person values, such as money, favorable performance appraisals, promotions, interesting work assignments, friendly colleagues, and preferred work shifts or sales territories.

Expert power is power based on expertise, special skills, or knowledge. If an employee has skills, knowledge, or expertise that is critical to a work group, that person’s expert power enhanced.

Finally, referent power is the power that arises because of a person’s desirable resources or personal traits. If you are admired and people want to be associated with you, you can exercise power over others because they want to please you. Referent power develops out of admiration for another and a desire to be like that person.

Most effective leaders rely on several different forms of power to affect the behavior and performance of their followers. For example, the commanding officer of one of Australia’s state-of-the-art submarines, the HMAS Sheean, employs different types of power in managing his crew and equipment. He gives orders to the crew

Mona Bawarshi heads Al-Gezairi Transport Company. The only daughter of a successful entrepreneur, she faced lots of challenges in her career. Most of these are common to any businessperson, male or female. Being female just adds to the complexity. Twenty-first-century leaders have to deal with important issues such as managing power, developing trust, empowering employees, leading across cultures, understanding gender differences in leadership, and becoming an effective leader.

thinking critically about Ethics

Can You Be Friends with Your Manager?
The definition of friend on social networking sites such as Facebook and MySpace is so broad that even strangers may tag you. But it does not feel weird because nothing really changes when a stranger does this. However, what if your boss, who is not much older than you are, asks you to be a friend on these sites? What then? What are the implications if you refuse the offer? What are the implications if you accept? What ethical issues might arise because of this? What would you do?
(legitimate), praises them (reward), and disciplines those who commit infractions (coercive). As an effective leader, he also strives to have expert power (based on his expertise and knowledge) and referent power (based on his being admired) to influence his crew.  

**DEVELOPING TRUST**

In today’s uncertain environment, an important consideration for leaders is building trust and credibility. Trust can be extremely fragile. Before we can discuss ways leaders can build trust and credibility, we have to know what trust and credibility are and why they are so important.

The main component of credibility is honesty. Surveys show that honesty is consistently singled out as the number-one characteristic of admired leaders. “Honesty is absolutely essential to leadership. If people are going to follow someone willingly, whether it be into battle or into the boardroom, they first want to assure themselves that the person is worthy of their trust.” In addition to being honest, credible leaders are competent and inspiring. They are personally able to effectively communicate their confidence and enthusiasm. Thus, followers judge a leader’s **credibility** in terms of his or her honesty, competence, and ability to inspire.

Trust is closely entwined with the concept of credibility, and, in fact, the terms are often used interchangeably. **Trust** is defined as the belief in the integrity, character, and ability of a leader. Followers who trust a leader are willing to be vulnerable to the leader’s actions because they are confident that their rights and interests will not be abused. Research has identified five dimensions that make up the concept of trust.
• **Integrity**: Honesty and truthfulness
• **Competence**: Technical and interpersonal knowledge and skills
• **Consistency**: Reliability, predictability, and good judgment in handling situations
• **Loyalty**: Willingness to protect a person, physically and emotionally
• **Openness**: Willingness to share ideas and information freely

Of these five dimensions, integrity seems to be the most critical when someone assesses another’s trustworthiness. Both integrity and competence came up in our earlier discussion of traits found to be consistently associated with leadership. Workplace changes have reinforced why such leadership qualities are important. For instance, the trend toward empowerment (which we will discuss shortly) and self-managed work teams has reduced many of the traditional control mechanisms used to monitor employees. If a work team is free to schedule its own work, evaluate its own performance, and even make its own hiring decisions, trust becomes critical. Employees have to trust managers to treat them fairly, and managers have to trust employees to conscientiously fulfill their responsibilities.

Also leaders have to increasingly lead others who may not be in their immediate work group or even may be physically separated members of cross-functional or virtual teams, individuals who work for suppliers or customers, and perhaps even people who represent other organizations through strategic alliances. These situations do not allow leaders the luxury of falling back on their formal positions for influence. Many of these relationships, in fact, are fluid and temporary. So the ability to quickly develop trust and sustain that trust is crucial to the success of the relationship.

Why is it important that followers trust their leaders? Research has shown that trust in leadership is significantly related to positive job outcomes, including job performance, organizational citizenship behavior, job satisfaction, and organizational commitment. Given the importance of trust to effective leadership, how can leaders build trust?

Now, more than ever, managerial and leadership effectiveness depends on the ability to gain the trust of followers. Downsizing, corporate financial misrepresentation, and the increased use of temporary employees have determined employees’ trust in their leaders and shaken the confidence of investors, suppliers, and customers. Today’s leaders are faced with the challenge of rebuilding and restoring trust with employees and with other important organizational stakeholders.

**EMPOWERING EMPLOYEES**

**Empowerment** involves increasing the decision-making discretion of workers. Millions of individual employees and employee teams are making the key operating decisions that directly affect their work. They are developing budgets, scheduling workloads, controlling inventories, solving quality problems, and engaging in similar activities that until recently were viewed exclusively as part of the manager’s job. Dr. Muhadditha Al Hashimi, the CEO of Dubai Healthcare City (DHCC) a center for clinical and wellness services, explains this very convincingly: “My senior leadership team is quite empowered. They are in their positions because I’ve trusted them to become directors of those sectors. I want them to use their judgment to the best of their ability.”

One reason more companies are empowering employees is the need for quick decisions by the people who are most knowledgeable about the issues, often those at lower organizational levels. If organizations want to successfully compete in a dynamic global economy, employees have to be able to make decisions and implement changes quickly. Another reason more companies are empowering employees is that organizational downsizings have left many managers with larger spans of control. In order to cope with the increased work demands, managers have had to empower their people. Although empowerment is not a universal answer, it can be beneficial when employees have the knowledge, skills, and experience to do their jobs competently.
LEADING ACROSS CULTURES

One general conclusion that surfaces from leadership research is that effective leaders do not use a single style. They adjust their style to the situation. Although not mentioned explicitly, national culture is certainly an important situational variable in determining which leadership style will be most effective. What works in China is not likely to be effective in France or Canada. For instance, one study of Asian leadership styles revealed that Asian managers preferred leaders who were competent decision makers, effective communicators, and supportive of employees.\(^{46}\)

National culture affects leadership style because it influences how followers will respond. Leaders cannot (and should not) just choose their styles randomly. They are constrained by the cultural conditions their followers have come to expect. Exhibit 16–7 provides some findings from selected examples of cross-cultural leadership studies. Because most leadership theories were developed in the United States,

Exhibit 16–7
Cross-Cultural Leadership

- Korean leaders are expected to be paternalistic toward employees.
- Arab leaders who show kindness or generosity without being asked to do so are seen by other Arabs as weak.
- Japanese leaders are expected to be humble and speak frequently.
- Scandinavian and Dutch leaders who single out individuals with public praise are likely to embarrass, not energize, those individuals.
- Effective leaders in Malaysia are expected to show compassion while using more of an autocratic than a participative style.
- Effective German leaders are characterized by high performance orientation, low compassion, low self-protection, low team orientation, high autonomy, and high participation.


Empowerment
The act of increasing the decision-making discretion of workers.
they have a U.S. bias. They emphasize follower responsibilities rather than rights, assume self-gratification rather than commitment to duty or altruistic motivation, assume centrality of work and democratic value orientation, and stress rationality rather than spirituality, religion, or superstition. For example, in the Arab world, the impact of religion is pervasive. To exclude the impact of religion on how people behave, even in business settings, does not work. Take the example of the Egyptian business leader, Naguib Sawiris, the legendary chairman and CEO of Orascom Telecom Holding. He does not hesitate a bit in indicating the role of faith in his leadership and in his success. He indicates that business leadership requires taking risks and risk taking requires faith. When asked about what it takes for a person to take risks, he responded: “The first word that comes to my mind is faith. I think if you really believe in God, you think you’re a good human being, then you know he’s going to be on your side so you don’t fear anything. So this has been the biggest source of my power.”

However, the GLOBE research program, first introduced in Chapter 4, is the most extensive and comprehensive cross-cultural study of leadership ever undertaken. The GLOBE study has found that there are some universal aspects to leadership. Specifically, a number of elements of transformational leadership appear to be associated with effective leadership, regardless of what country the leader is in. These include vision, foresight, providing encouragement, trustworthiness, dynamism, positivity, and proactiveness. The results led two members of the GLOBE team to conclude that “effective business leaders in any country are expected by their subordinates to provide a powerful and proactive vision to guide the company into the future, strong motivational skills to stimulate all employees to fulfill the vision, and excellent planning skills to assist in implementing the vision.”

Some people suggest that the universal appeal of these transformational leader characteristics is due to the pressure toward common technologies and management practices, as a result of global competitiveness and multinational influences.

UNDERSTANDING GENDER DIFFERENCES AND LEADERSHIP

There was a time when the question “Do males and females lead differently?” could be seen as a purely academic issue: interesting, but not very relevant. That time has certainly passed! Many women now hold senior management positions, and many more around the world continue to join the management ranks. Misconceptions about
the relationship between leadership and gender can adversely affect hiring, performance evaluation, promotion, and other human resource decisions for both men and women. For instance, evidence indicates that a “good” manager is still perceived as predominantly masculine.52

A number of studies focusing on gender and leadership style have been conducted in recent years. Their general conclusion is that males and females use different styles. Specifically, women tend to adopt a more democratic or participative style. Women are more likely to encourage participation, share power and information, and attempt to enhance followers’ self-worth. They lead through inclusion and rely on their charisma, expertise, contacts, and interpersonal skills to influence others. Women tend to use transformational leadership, motivating others by transforming their self-interest into organizational goals. Men are more likely to use a directive command-and-control style. They rely on the formal position authority for their influence. Men use transactional leadership, handing out rewards for good work and punishments for bad.53

There is an interesting qualifier to the findings just mentioned. The tendency for female leaders to be more democratic than males declines when women are in male-dominated jobs. Apparently, group norms and male stereotypes influence women, and in some situations, women tend to act more autocratically.54

Although it is interesting to see how male and female leadership styles differ, a more important question is whether they differ in effectiveness. Although some researchers have shown that males and females tend to be equally effective as leaders,55 an increasing number of studies have shown that women executives, when rated by their peers, employees, and bosses, score higher than their male counterparts on a wide variety of measures.56 Why? One possible explanation is that in today’s organizations, flexibility, teamwork and partnering, trust, and information sharing are rapidly replacing rigid structures, competitive individualism, control, and secrecy. In these types of workplaces, effective managers must use more social and interpersonal behaviors. They listen, motivate, and provide support to their people. They inspire and influence rather than control. And women seem to do those things better than men.57

Although women seem to rate highly on the leadership skills needed to succeed in today’s dynamic global environment, we do not want to fall into the same trap as the early leadership researchers who tried to find the “one best leadership style” for all situations. We know that there is no one best style for all situations. Instead, the most effective in their leadership styles depends on the situation. So even if men and women differ in their leadership styles, we should not assume that one is always preferable to the other.

GENDER DIFFERENCES IN LEADERSHIP IN THE ARAB WORLD

Leadership positions in the Arab world have traditionally been monopolized by men. The dominant secular leadership prototype in Arab culture is the Sheik – a male figure with religious authority.58 While religious and paternalistic traditions of leadership and authority persist, there are nevertheless examples of prominent women leaders who have managed to break through and reach top decision-making positions despite prevailing stereotypes and constraints. Some attribute the success of these female leaders to their family connections, and their male connections more specifically. Even those who are part of the recent feminization of leadership positions in the Arab region appear to face many of the same constraints as their predecessors.59 They continue to perceive themselves as accountable to male scrutiny, stereotypes, and traditional leadership prototypes. They operate in conditions that are still influenced and shaped by family, tribe, and religion, and they often have to act in such terms. Such are the realities of leadership in the Arab world.

The image of how a leader should behave and act cannot be separated from the cultural context and the social contexts within which such an image is formed. Despite recent attempts and initiatives to provide opportunities for women to emerge as leaders, the current situation in the Arab world still emphasizes the role of the male
as the dominant player in society and the woman as submissive. While some may associate this polarity to the role of Islam in Arab society, it is worth noting that Islam and Islamic history present many examples of equal opportunity and women success stories. Indeed, in a number of Arab countries, such as Kuwait and Morocco, religion is used as a platform to advance reform initiatives based on the premise that Islam is not opposed to women’s advancement and progress.  

So how can we understand the scarcity of women in top leadership positions in the Arab world? This issue can be explained by the fact that this case, found in many developed and developing societies, is not unique to Arab women. This reflects the problematic conditions that females face in the workplace across the world.

Women’s participation in the labor force continues to be rather low across the Arab world (Exhibit 16–8). The economic activity rate of women has been estimated at 27 percent in 2008 (compared to 78 percent for males) which is the lowest in the world. Furthermore, women’s participation is also low in entrepreneurial activities and decision-making positions. Legislation for equal opportunity and rights is often not properly implemented. Specifically, various Arab Human Development Reports highlight the problems that Arab women face in education, work, and participation in business and political arenas. Focus on gender issues leading to fair and balanced societal development has been a major area for women’s organization within and outside the Arab world. Such initiatives are slowly recording some successes in various areas of the Arab world but are still falling short of accomplishing major strides in achieving gender equity and inclusiveness on a wide scale.  

**BECOMING AN EFFECTIVE LEADER**

Organizations need effective leaders. Two issues pertinent to becoming an effective leader are leader training and recognizing that sometimes being an effective leader means not leading. Let’s take a look at these issues.

**Leader Training.** Organizations around the globe spend billions of yen, euros, and dollars on leadership training and development. These efforts take many forms, from expensive leadership programs offered by universities to sailing experiences as part of seminars designed to teach executives how to command their teams. Although much of the money spent on leader training may provide doubtful benefits, our review suggests that there are some things managers can do to get the maximum effect from such training.

First, let’s recognize the obvious: some people do not have what it takes to be a leader. For instance, evidence indicates that leadership training is more likely to be successful with individuals who are high self-monitors than with low self-monitors. Such individuals have the flexibility to change their behavior as different situations require. In addition, organizations may find that individuals with higher levels of a trait called _motivation to lead_ are more receptive to leadership development opportunities.

What kinds of things can individuals learn that might be related to being a more effective leader? It may be a bit optimistic to think that “vision-creation” can be taught, but implementation skills can be taught. People can be trained to develop “an understanding about content themes critical to effective visions.” We can also teach skills...
such as trust-building and mentoring. And leaders can be taught situational analysis skills. They can learn how to evaluate situations, how to modify situations to make them fit better with their style, and how to assess which leader behaviors might be most effective in given situations.

Substitutes for Leadership. Despite the belief that some leadership style will always be effective regardless of the situation, leadership may not always be important! Research indicates that, in some situations, any behavior a leader exhibits is irrelevant.

In other words, certain individual, job, and organizational variables can act as “substitutes for leadership,” negating the influence of the leader. For instance, follower characteristics such as experience, training, professional orientation, and need for independence can neutralize the effect of leadership. These characteristics can replace the employee’s need for a leader’s support or ability to create structure and reduce task ambiguity. Similarly, jobs that are inherently unambiguous and routine or that are intrinsically satisfying may place fewer demands on the leadership variables. Finally, such organizational characteristics as explicit formalized goals, rigid rules and procedures, and cohesive work groups can substitute for formal leadership.

LEARNING OUTCOMES

SUMMARY

16.1 WHO ARE LEADERS, AND WHAT IS LEADERSHIP?
- Define leaders and leadership.
- Explain why managers should be leaders.

A leader is someone who can influence others and who has managerial authority. Leadership is a process of leading a group and influencing that group to achieve its goals. Managers should be leaders because leading is one of the four management functions.

16.2 HISTORICAL LEADERSHIP IN THE ARAB WORLD
- Understanding leadership from an Arab perspective.
- Describe the concept of asabiya.
- Explain the prophetic-caliphal leadership model.

Ibn Khaldun emphasizes the importance of the personal qualities of the leader, which he refers to as “perfecting details.” Asabiya, which is “group feeling” or “group bond,” stems from blood ties and alliances, with the former having the most weight in fostering the leadership bond. While blood ties may be discounted in the West as a source of leadership, one can only review recent organizational history in the Middle East and North Africa to see how much blood ties are instrumental in leadership emergence.

Models for leadership in Arab contexts are put forward by Bashir Khadra, who proposed a prophetic-caliphal model of leadership in the Arab world. This model consists of four elements: (1) personalism, (2) individualism, (3) lack of institutionalization, and (4) the importance of the “great man.”
16.3 EARLY LEADERSHIP THEORIES

- Discuss what research has shown about leadership traits.
- Contrast the findings of the four behavioral leadership theories.
- Explain the dual nature of a leader’s behavior.

Early attempts to define leadership traits were unsuccessful, although later attempts found seven traits associated with leadership.

The University of Iowa studies explored three leadership styles. The only conclusion was that group members were more satisfied under a democratic leader than under an autocratic one. The Ohio State studies identified two dimensions of leader behavior: initiating structure and consideration. A leader high in both those dimensions at times achieved high group task performance and high group member satisfaction, but not always. The University of Michigan studies looked at employee-oriented leaders and production-oriented leaders. They concluded that leaders who were employee oriented could get high group productivity and high group member satisfaction. The managerial grid looked at leaders’ concern for production and concern for people and identified five leader styles. Although it suggested that a leader who was high in concern for production and high in concern for people was the best, but there was no substantive evidence for that conclusion.

As the behavioral studies showed, a leader’s behavior has a dual nature: a focus on the task and a focus on the people.

16.4 CONTINGENCY THEORIES OF LEADERSHIP

- Explain Fiedler’s contingency model of leadership.
- Describe situational leadership theory.
- Discuss how path-goal theory explains leadership.

Fiedler’s model attempted to define the best style to use in particular situations. He measured leader style – relationship oriented or task oriented. Fiedler also assumed that a leader’s style was fixed. He measured three contingency dimensions: leader–member relations, task structure, and position power. The model suggested that task-oriented leaders performed best in very favorable and very unfavorable situations, and relationship-oriented leaders performed best in moderately favorable situations.

Hersey and Blanchard’s situational leadership theory (SLT) focused on followers’ readiness. It includes four leadership styles: telling (high task–low relationship), selling (high task–high relationship), participating (low task–high relationship), and delegating (low task–low relationship). SLT also identified four stages of readiness: unable and unwilling (use telling style), unable but willing (use selling style), able but unwilling (use participative style), and able and willing (use delegating style).

The path–goal model developed by Robert House identified four leadership behaviors: directive, supportive, participative, and achievement oriented. This model assumes that a leader can and should be able to use any of these styles. The two situational contingency variables were found in the environment and in the follower. Essentially, the path–goal model says that a leader should provide direction and support as needed; that is, the leader should structure the path so the followers can achieve goals.

16.5 CONTEMPORARY VIEWS OF LEADERSHIP

- Differentiate between transactional and transformational leaders.
- Discuss what team leadership involves.

A transactional leader exchanges rewards for productivity, whereas a transformational leader stimulates and inspires followers to achieve goals.

16.6 LEADERSHIP ISSUES IN THE TWENTY-FIRST CENTURY

- Describe the five sources of a leader’s power.
- Discuss the issues today’s leaders face.

The five sources of a leader’s power are legitimate (authority or position), coercive (punish or control), reward (give positive rewards), expert (special expertise, skills, or knowledge), and referent (desirable resources or traits).

Today’s leaders face the issues of managing power, developing trust, empowering employees, leading across cultures, understanding gender differences in leadership, and becoming an effective leader.
THINKING ABOUT
MANAGEMENT ISSUES

1. What types of power are available to you? Which ones do you use most? Why?
2. Do you think that most managers in real life use a contingency approach to increase their leadership effectiveness? Discuss.
3. If you ask people why a given individual is a leader, they tend to describe the person in terms such as competent, consistent, self-assured, inspiring a shared vision, and enthusiastic. How do these descriptions fit in with leadership concepts presented in this chapter?
4. What kinds of campus activities could a full-time university student do that might lead to the perception that he or she is a charismatic leader? In pursuing those activities, what might the student do to enhance this perception of being charismatic?
5. Do you think trust evolves out of an individual's personal characteristics or out of specific situations? Explain.
6. A recent study showed that CEOs of successful companies have hard-nosed personal traits, such as persistence, efficiency, attention to detail, and a tendency to set high standards, rather than softer strengths, such as teamwork, enthusiasm, and flexibility. What do you think of this? Are you surprised? How would you explain this in light of the leadership theories discussed in this chapter?
7. Do followers make a difference in whether a leader is effective? Discuss.
8. How can organizations develop effective leaders?

FURTHER READING

Stephen M. R. Covey with Rebecca Merrell, The Speed of Trust: The One Thing That Changes Everything (The Free Press, 2006)
Margaret J. Wheatley, Leadership and the New Science (Berrett-Koehler Publishers, 1994)
Max DePree, Leadership Jazz (Dell Publishing, 1992)
Max DePree, Leadership Is an Art (Dell Publishing, 1989)

YOUR TURN TO BE A MANAGER

• Think of the different organizations to which you belong. Note the different styles of leadership used by the leaders in those organizations. Write a paper describing these individuals' styles of leading (no names, please) and evaluate the styles being used.
• Write the names of three people you consider to be effective leaders. Make a bulleted list of the characteristics these individuals exhibit that you think make them effective leaders.
• Think about the times that you have had to lead. Describe what you think your own personal leadership style is. What could you do to improve your leadership style? Come up with an action plan of steps that you can take. Put all this information into a brief paper.
• Managers say that increasingly they must use influence to get things done. Do some research on the art of persuasion. Make a bulleted list of suggestions that you find on how to improve your skills at influencing others.
Here is a list of leadership skills: building teams, coaching and motivating others, communicating with impact, confidence and energy, leading by example, leading change, making decisions, providing direction and focus, and valuing diversity. Choose two of these skills and develop a training exercise that will help develop or improve each of them.

Select one of the topics from the section “Leadership Issues in the Twenty-First Century.” Do some additional research on the topic and put your findings in a bulleted list. Be prepared to share this in class. Be sure to cite your sources.

Interview three managers about what they think it takes to be a good leader. Write up your findings in a report and be prepared to present it in class.

In your own words, write down three things you learned in this chapter about being a good manager.

CASE APPLICATION

Lubna Olayan: What Makes a Role Model?

Lubna Olayan is considered to be one of the most prominent business people in the Middle East. She is the CEO of the Olayan Financing Co., one of the largest companies in the region. This company was originally founded by her father, who was one of the most prominent businessmen in the region. She was chosen by TIME magazine as one of the world’s 100 most influential people of 2005 and by Forbes magazine as one of the world’s 100 most influential women in 2005 and 2006. She pursued her undergraduate and graduate education in the U.S., obtaining a BA from Cornell and an MBA from Indiana University. Olayan has been extremely active in advancing women in leadership positions. She was the first woman to be appointed as a member of a board of a Saudi Arabian company (Saudi Hollandi Bank) and is also a board member of the marketing giant WPP.

Olayan is a stern believer in the values of hard work, determination, and persistence. When asked about taking credit for the success of the Olayan Group she said, “I never think about it in that sense. We accomplish things and then move on. I never dwell on what I’ve personally achieved. As a group I am very proud of where we are now. It’s our philosophy that the best job should be given to the most competent person. That is something I truly believe in, and my father believed in.”

Olayan was depicted as a hero by Prince Alwaleed Bin Talal Al-Saud, and a role model for future women leaders: “Olayan tends to downplay her positive impact on perceptions of Arab women’s roles. But wherever she goes, especially since the Jidda speech, she is a star. She reminds everyone that Saudi women are capable of running not only the house but also major companies.”

Discussion Questions

1. If you were to use the trait approach in describing Lubna Olayan, what traits would you ascribe to her?

2. To what do you attribute Olayan’s success?

3. What is the importance of role models in developing leaders? Are female role models needed more in the Arab region or are role models needed by both males and females?

Management Role Models in the Arab World

ABDULSALAM HAYKAL

Abdulsalam Haykal lives and works in Damascus, Syria. He is cofounder and CEO of Transtek Systems, a high-end enterprise software house, and Haykal Media, print, online, and mobile publisher. Haykal is president of the Syrian Young Entrepreneurs Association and a founding trustee of the BIDAYA Foundation, two organizations dedicated to empowering aspiring business people in Syria.

What are the elements of the Syrian environment that are relevant to business? For many long years, skilled workers and managers had to leave the oil-rich, labor-poor Gulf, due to limited opportunity. The “brain drain,” coupled with an education system that needed reform, caused a shortage of capable human resources, crippling growth. The current reforms program promises a better future, not a better today. For Syria to realize its potential, we have to focus on developing and investing in our human resources. It is a long-term goal, and without persistence, perseverance, and commitment it cannot be achieved. Once you have that, doing business in Syria is very enjoyable and rewarding. Syria is an example of diversity: we are a blend of cultures that have triumphed over their ethnic or religious identities to form one nation. Entrepreneurship is thriving, and the economy is opening up, creating endless opportunities locally and regionally.

What advice would you give about promoting management and entrepreneurship in Syria? Prospective entrepreneurs should have access to four things: positive thinking, experience and expertise, professional network, and money. Money becomes more available when an entrepreneur has access to the first three requirements. Positive thinking unveils opportunities, and expertise breathes life into them. The network will give it recognition, and money will turn it into a start-up. Once you have that, then you need to focus on your two Ps: your product and your people. Your product will get you more money, and your people will push you further. This looks easy but requires a lot of smart effort, focus, and leadership. The best entrepreneurs and leaders have an audacious vision. They bring change, and they challenge the status quo, and create opportunities for themselves and for others along the way.

What is the importance of role models for future managers? Role models are very important to help create the new identity that is necessary for a renaissance. A role model for entrepreneurs, leaders, and managers should behold the qualities of responsibility, adaptability, reliability, and problem solving. We need the type of people that are able to create opportunities out of problems, give answers to long-standing questions, and be the change that they want to see. Work ethics in Syria and the Arab world have to change. We need to become result oriented rather than task oriented. We need to create value before we make money. Innovation is necessary to stay competitive, and partnership is vital for growth. Our soft skills need to be polished. We have more technical skills than commercial and marketing skills. We can create good products, and do not create markets for them efficiently.
What do you think about the future generation in Syria? Over the last few years, I have come into professional contact with many young Syrians. They are seemingly – and pleasingly – confident that the future is theirs. They are certain that they will be the ones to make a difference. The youth of Syria are heirs to thousands of years of civilizations. Their fathers and grandfathers are merchants, industrialists, and business people that survived very harsh years of economic ups and downs and an environment that for a long time was unfriendly to private business. I hope that the coming generations will have more room at hand, and benefit from a laissez-faire policy and a deregulatory approach. This would prevent the “hidden enterprise” culture. Syria is a fascinating place, and a great number of Syrian entrepreneurs are truly inspiring. And there is a window of opportunity to unleash this huge potential.

What is your message to the private sector? I tell them that while we have to compete in the market, we need to come together as one to represent our respective industries and the business community at large. There are a lot of things that we can do together in order to grow beyond the limits of our individual capability. We need to help the reforms in Syria by making our collective case compelling. The basic element of our success is our human resources. You can borrow money, hire consultants for expertise, join networks and get connections, but you cannot make a lot of added value without people who are capable of leading and building. Business is all about people creating value for themselves, and for other people, whether suppliers, customers, or the community at large.

Do you have any final words? During college, my constant and influential companion was the American poet Ralph Waldo Emerson. Emerson said that the best advice he heard given to a young man was, “Always do what you are afraid to do.” The Sufi scholar Jalaluddin Rumi once said: “You were born with wings. Why prefer to crawl through life?” Fear makes you crawl. It is easier said than done, but what makes a great entrepreneur is taking a step without feet. When you start by blaming yourself and not other people or circumstances, the solution is at your fingertips. Stick to positive thinking and stay focused on your goal, and your world and that of the people around you will never be the same again. I think this is what Syria and the Arab world need today.

OSSAMA HASSANEIN

Dr. Ossama Hassanein is chairman of the board of TechWadi. Based in Silicon Valley in the United States, TechWadi’s mission is to serve the needs of Arab American professionals in the Technology Industry in North America and the Middle East. One of TechWadi’s objectives is to connect members to each other and to the MENA region. TechWadi has been conducting global entrepreneurship forums in the U.S., and, most recently, in MENA. These forums facilitate building bridges between Silicon Valley and ME and provide high-impact mentorship to aspiring entrepreneurs.

Hassanein is an entrepreneur, mentor, and venture capitalist. Over the last 35 years, he has managed over US$1 billion in 14 international technology funds, spearheaded the mezzanine financing of more than 80 IT companies, and been the founder or chairman of eight successful technology companies. He is currently General Partner with Global Technology Innovation Partners (GTIP), a venture capital firm focused on developing entrepreneurship in the region. He is also chairman of the boards of BDNA, Echovox, and Zong, as well as TechWadi and the Egyptian American Society. Ossama was born and raised in Alexandria, Egypt, where he still maintains close family ties and enduring friendships.
What are your thoughts on entrepreneurship? Entrepreneurship is alive and well in the region... Let there be no doubt about the investment opportunities in MENA (Middle East and North Africa region) or the entrepreneurial qualities of its people.

What do new and aspiring business owners need? Entrepreneurial companies are spawned from many sources including corporations, incubators, universities, government-funded technology parks, NGOs, family businesses, and others. They all share common needs, most importantly a supportive ecosystem to accelerate their growth. A good ecosystem would include skilled human resources, angel investors, venture capitalists, business accelerators, corporate partners, and mentors. Mentors are needed, badly. While money, talent, and infrastructure are vital, MENA entrepreneurs need compassionate veterans who would take a personal interest in coaching them on the complexities of starting and growing a business.  

What is the role of the Arabs living in other areas of the globe in facilitating business opportunities in the region? The role of Arabs living around the world is already playing a very important role. We subcontract our engineering and product development projects to effective teams in MENA, we provide angel financing to promising Arab entrepreneurs, internships to aspiring grads and undergraduates, and support in business plan competition at leading universities such as MIT and UC Berkeley. Nonetheless, we have a long way to go. We need to create effective regional business accelerators that act as magnets for entrepreneurs, dedicate “heart and mind” to mentor at least 50 promising entrepreneurs each year, and create an effective venture capital fund to accelerate the growth and international expansion of those companies and teams that are destined to become world-class successes.

What struck you during your recent visits to the region? We are very impressed with the degree to which entrepreneurship-fever is spreading in Egypt, Lebanon, and Jordan. We feel that a new, positive, unifying force is taking hold at the grassroots levels, and that this energy should be nourished and amplified, not just through our words and moral support, but through real programs and action on the ground.
### Glossary

**Absenteism** | الغياب  
The failure to show up for work.

**Active Listening** | الاستماع النشط  
Listening for full meaning without making premature judgments or interpretations.

**Adjourning stage** | مرحلة إفراط (فريق العمل)  
The final stage of group development for temporary groups, during which group members are concerned with wrapping up activities rather than task performance.

**Affective component** | العنصر العاطفي  
The part of an attitude that's the emotional or feeling part.

**Affirmative action** | المبادرات التي تهدف إلى تحسين أوضاع فئة من الناس (مثل الأقليات) داخل المؤسسة  
Organizational programs that enhance the status of members of protected groups.

**Association of Southeast Asian Nations (ASEAN)** | رابطة آسيا جنوب شرق آسيا (أسيا)  
A trading alliance of 10 Southeast Asian nations.

**Assumed similarity** | التشابه المفترض  
The assumption that others are like oneself.

**Attitude surveys** | الدراسات الاستقصائية  
Surveys that elicit responses from employees through questions about how they feel about their jobs, work groups, supervisors, or the organization.

**Attitudes** | المواقف  
Evaluative statements, either favorable or unfavorable, concerning objects, people, or events.

**Attribution theory** | نظرية العزو أو ارجاع النتيجة إلى السبب  
A theory used to explain how we judge people differently, depending on what meaning we attribute to a given behavior.

**Authority** | السلطة  
The rights inherent in a managerial position to tell people what to do and to expect them to do it.

**Autocratic style** | النطاق الاستبدادي  
A leader who dictates work methods, makes unilateral decisions, and limits employee participation.

**Autonomy** | الحرية في العمل  
The degree to which a job provides substantial freedom, independence, and discretion to an individual in scheduling work and determining the procedures to be used in carrying it out.

**Basic corrective action** | إجراءات تصحيحية أساسية  
Corrective action that looks at how and why performance deviated before correcting the source of deviation.

**BCG matrix** | مصفوفة بي سي جي  
A strategy tool that guides resource allocation decisions on the basis of market share and growth rate of SBUs.

**Behavior** | السلوك  
The actions of people.

**Behavioral component** | المكون السلوكي  
The part of an attitude that refers to an intention to behave in a certain way toward someone or something.

**Behavioral theories** | النظريات السلوكيه  
Leadership theories that identify behaviors that differentiate effective leaders from ineffective leaders.

**Big Five model** | مكونات الشخصية الحكيمه الكبرى  
A personality trait model that examines extraversion, agreeableness, conscientiousness, emotional stability, and openness to experience.

**Body language** | لغة الجسد  
Gestures, facial configurations, and other body movements that convey meaning.

**Boundaryless organization** | المنظمة اللاحدودية (أي لا حدود واضحة لها)  
An organization whose design is not defined by or limited to the horizontal, vertical, and external boundaries imposed by a predefined structure.

**Bounded rationality** | العقلانية المحدودة  
Decision making that is rational but limited (bounded) by an individual's ability to process information.

**Bureaucratic** | بيروراطي  
Committed to the particulars of organizational procedures.

**Bureaucracy** | بيروراطية  
A form of organization characterized by division of labor, a clearly defined hierarchy, detailed rules and regulations, and impersonal relationships.

**Business model** | نموذج الأعمال  
A design for how a company is going to make money.

**Business performance management (BPM) software** | برامج خاصة بإدارة إداء الأعمال (بي بي إم)  
IT software that provides key performance indicators to help managers monitor efficiency of projects and employees. Also known as corporate performance management software.

**Capabilities** | قدرات  
An organization's skills and abilities in doing the work activities needed in its business.

**Centralization** | مركزية  
The degree to which decision making is concentrated at upper levels of the organization.

**Certainty** | يعيين  
A situation in which a decision maker can make accurate decisions because all outcomes are known.

**Chain of command** | سلسلة القيادة  
The line of authority extending from upper organizational levels to the lowest levels, which clarifies who reports to whom.

**Change agent** | وعنصر التغيير  
Someone who acts as a catalyst and assumes the responsibility for managing the change process.

**Channel** | قناة  
The medium along which a message travels.

**Charismatic leaders** | القادة الكرزيمكية  
Enthusiastic, self-confident leaders whose personalities and actions influence people to behave in certain ways.

**Classical approach** | النهج الكلاسيكي  
The first studies of management, which emphasized rationality and making organizations and workers as efficient as possible.

**Classical view** | المنظور الكلاسيكي  
The view that management’s only social responsibility is to maximize profits.
Closed systems
Systems that are not influenced by and do not interact with their environment.

Code of ethics
A formal statement of an organization's primary values and the moral rules it expects its employees to follow.

Coercive power
The power a leader has to punish or control.

Cognitive component
The part of an attitude that's made up of the beliefs, opinions, knowledge, or information held by a person.

Cognitive dissonance
Any incompatibility or inconsistency between attitudes or between behavior and attitudes.

Commitment concept
A concept that says that plans should extend far enough to meet the commitments made when the plans were developed.

Communication
The transfer and understanding of meaning.

Communication networks
The variety of patterns of vertical and horizontal flows of organizational communication.

Communities of practice
A group of people who share a concern, a set of problems, or a passion about a topic and who deepen their knowledge and expertise in that area by interacting on an ongoing basis.

Competitive advantage
The factor that sets an organization apart; its distinctive edge.

Competitive strategy
An organizational strategy for how an organization will compete in its business(es).

Compressed workweek
A workweek in which employees work longer hours per day but fewer days per week.

Conceptual skills
The ability to think and to conceptualize about abstract and complex situations.

Conflict
Perceived incompatible differences that result in interference or opposition.

Consideration
The degree to which followers perceive someone as honest, competent, and able to inspire.

Contingency approach (or situational approach)
A management approach that says that organizations are different, face different situations (contingencies), and require different ways of managing.

Control process
A three-step process of measuring actual performance, comparing actual performance against a standard and taking managerial action to correct deviation or inadequate standards.

Controlling
The process of monitoring, comparing, and correcting work performance.

Core competencies
The organization’s major value-creating capabilities that determine its competitive weapons.

Corporate strategy
An organizational strategy that specifies what businesses a company is in or wants to be in and what it wants to do with those businesses.

Creativity
The ability to combine ideas in a unique way or to make unusual associations between ideas.

Credibility
The degree to which followers perceive someone as honest, competent, and able to inspire.

Cross-functional teams
Work teams composed of individuals from various functional specialties.

Decentralization
The degree to which lower-level employees provide input or actually make decisions.

Decision
A choice from two or more alternatives.

Decision criteria
Criteria that define what is important or relevant in resolving a problem.

Decisional roles
Managerial roles that revolve around making choices.

Decoding
Retranslating a sender’s message.

Recruitment
Reducing an organization’s workforce.

Democratic style
A leader who involves employees in decision making, delegates authority, and uses feedback as an opportunity for coaching employees.

Departmentalization
The basis on which jobs are grouped together.

Diagonal communication
Communication that cuts across work areas and organizational levels.

Directional plans
Plans that are flexible and that set out general guidelines.

Distributive justice
Perceived fairness of the amount and allocation of rewards among individuals.

Division of labor (or job specialization)
The breakdown of jobs into narrow and repetitive tasks.

Downsizing
The planned elimination of jobs in an organization.

Downward communication
Communication that flows downward from a manager to employees.

Dysfunctional conflicts
Conflicts that prevent a group from achieving its goals.

Effectiveness
Doing the right things, or completing activities so that organizational goals are attained.
Glossary

**Efficiency | كفاءة**
Doing things right, or getting the most output from the least amount of inputs.

**Ego strength | قوة الأنا**
A personality measure of the strength of a person’s convictions.

**Emotional intelligence (EI) | الذكاء العاطفي**
The ability to notice and to manage emotional cues and information.

**Emotions | العاطف**
Intense feelings that are directed at someone or something.

**Employee empowerment | تمكين الموظف**
Giving employees more authority (power) to make decisions.

**Employee engagement | مشاركة الموظف**
Employees being connected to, satisfied with, and enthusiastic about their jobs.

**Employee productivity | النجاح الموظفي**
A performance measure of both efficiency and effectiveness.

**Employee recognition programs | برامج مكافأة الموظف**
Programs that consist of personal attention and expressing interest, approval, and appreciation for a job well done.

**Empowerment | التمكين**
The act of increasing the decision-making discretion of workers.

**Encoding | ترميز التشفير**
Converting a message into symbols.

**Environmental complexity | درجة التعقيد في البيئة المحيطة**
The number of components in an organization’s environment and the extent of the organization’s knowledge about those components.

**Environmental uncertainty | عدم اليقين البيئي**
The degree of change and complexity in an organization’s environment.

**Equity theory | نظرية الالتصاف**
The theory that an employee compares his or her job’s input: outcomes ratio with that of relevant others and then corrects any inequity.

**Escalation of commitment | تصعيد الالتزام**
An increased commitment to a previous decision despite evidence that it may have been a poor decision.

**Esteem needs | حاجات تقدير الذات**
A person’s needs for internal factors, such as self-respect, autonomy, and achievement, and external factors, such as status, recognition, and attention.

**Ethics | الأخلاق**
Principles, values, and beliefs that define what is right and what is wrong behavior.

**Ethnocentric attitude | الموقف العرقي (أي الاعتقاد بنفوذ العنصر العرقي الذي يائم عليه الإنسان على غير من الأعراق)**
The parochialistic belief that the best work approaches and practices are those of the home country.

**Euro | اليورو**
A single common European currency.

**European Union (EU) | الاتحاد الأوروبي**
An economic and political partnership of 27 democratic European countries created as a unified economic and trade entity. Three additional countries have applied for membership.

**Expectancy theory | نظرية التوقع**
The theory that an individual tends to act in a certain way, based on the expectation that the act will be followed by a given outcome and on the attractiveness of that outcome to the individual.

**Expectancy | السبلة الميكانية على خبرة معينة**
Power that is based on expertise, special skills, or knowledge.

**Exporting | تصدير**
Making products domestically and selling them abroad.

**External environment | البيئة الخارجية**
Factors and forces outside an organization that affect the organization’s performance.

**Family-friendly benefits | مزايا وظيفية متعددة للأسرة (أي أربعمائة)**
Benefits that accommodate employees’ needs for work–life balance.

**Feedback | التغذية الراجعة**
The degree to which carrying out work activities required by a job results in an individual’s obtaining direct and clear information about his or her performance effectiveness.

**Fiedler contingency model | نموذج ميدلير المنطقية**
A leadership theory that proposed that effective group performance depended on the proper match between a leader’s style and the degree to which the situation allowed the leader to control and influence.

**Filtering | تصفية**
The deliberate manipulation of information to make it appear more favorable to the receiver.

**First mover | المحرك الأول (المبادئ)**
An organization that is first to bring a product innovation to market or use a new process innovation.

**First-line managers | المدير المبشر**
The lowest level of management who manage the work of nonmanagerial employees and typically are directly or indirectly involved with producing the organization’s products or servicing the organization’s customers.

**Flexible work hours (flextime) | ساعات عمل مرونة (أوقات العمل المرونة)**
A scheduling system in which employees are required to work a certain number of hours per week but are free, within limits, to vary the hours of work.

**Foreign subsidiary | فرع خارجي**
A direct investment in a foreign country that involves setting up a separate and independent facility or office.

**Formal communication | الاتصالات الرسمية**
Communication that takes place within prescribed organizational work arrangements.

**Formal planning department | إدارة التخطيط الرسمي**
A group of planning specialists whose sole responsibility is helping to write organizational plans.

**Formalization | ترشيده Callable إم وأعمال وقواعد**
How standardized an organization’s jobs are and the extent to which employee behavior is guided by rules and procedures.

**Forming stage | مرحلة التشكيك**
The first stage of group development, in which people join the group and then define the group’s purpose, structure, and leadership.

**Franchising | الامتياز**
An agreement in which an organization gives another organization the right to use its name and operating methods.

**Free market economy | اقتصاد السوق الحر**
An economic system in which resources are primarily owned and controlled by the private sector.

**Functional conflicts | الصراعات الوظيفية الإيجابية**
Conflicts that support a group’s goals and improve its performance.

**Functional strategies | الاستراتيجيات المتعلقة بالمجال أعمال**
The strategies used by an organization’s various functional departments to support the organization’s competitive strategy.
Functional structure | هيكل وظيفي
An organizational design that groups together similar or related occupational specialties.

Fundamental attribution error | خطأ أساسي في الاستدلال
The tendency to underestimate the influence of external factors and overestimate the influence of internal factors when making judgments about the behavior of others.

General environment | البيئة العامة
Broad external conditions that may affect an organization.

General administrative theory | النظريات العامة للإدارة
An approach to management that focuses on describing what managers do and what constitutes good management practice.

Geocentric attitude | الاعتاد الجغرافي
A world-oriented view that focuses on using the best approaches and people from around the globe.

Global sourcing (or global outsourcing) | شراء مواد أو توظيف عامة من شريانت العالم
Purchasing materials or labor from around the world based on lowest cost.

Global company | شركة عالمية
An international company that centralizes management and other decisions in the home country.

Global | العالم
The Global Leadership and Organizational Behavior Effectiveness research program, a program that studies cross-cultural leadership behaviors.

Goals (objectives) | أهداف
Desired outcomes or targets.

Goal-setting theory | نظرية تحديد الأهداف
The proposition that specific goals increase performance and that difficult goals, when accepted, result in higher performance than do easy goals.

Grapevine | خط التواصل غير الرسمي في المؤسسة
The informal organizational communication network.

Green management | الإدارة البيئية
A form of management in which managers consider the impact of their organization on the natural environment.

Group | المجموعة
Two or more interacting and interdependent individuals who come together to achieve specific goals.

Group cohesiveness | تماشى المجموعة
The degree to which group members are attracted to one another and share the group’s goals.

Groupthink | الفكر الموحد للمجموعة
A phenomenon in which a group exerts extensive pressure on an individual to align his or her opinion with others’ opinions.

Growth strategy | استراتيجية النمو
A corporate strategy that is used when an organization wants to expand the number of markets served or products offered, either through its current business(es) or through new business(es).

Halo effect | تأثير اللبالة
A general impression of an individual that is influenced by a single characteristic.

Hawthorne Studies | دراسات هاوثرن
A series of studies during the 1920s and 1930s that provided new insights into individual and group behavior.

Heuristics | قواعد عقلانية
Rules of thumb that managers use to simplify decision making.

Hierarchy of needs theory | نظرية التسلسل الهرمي للاحتياجات
Maslow’s theory that there is a hierarchy of five human needs: physiological, safety, social, esteem, and self-actualization.

High-high leader | قائد أعلى
A leader high in both initiating structure and consideration behaviors.

High-performance work practices | ممارسات عمل عالية الاداء
Work practices that lead to both high individual performance and high organizational performance.

Human relations view of conflict | منظر العلاقات الإنسانية للصراع
The view that conflict is a natural and inevitable outcome in any group.

Human resource planning | تخطيط الموارد البشرية
A method of planning to ensure that the organization has the right number and kinds of capable people in the right places and at the right times.

Human skills | المهارات البشرية
The ability to work well with other people individually and in a group.

Hygiene factors | عوامل أساسية
Factors that eliminate job dissatisfaction but don’t motivate.

Idea champion | مسبب
An individual who actively and enthusiastically supports new ideas, builds support, and ensures that innovations are implemented.

Immediate corrective action | إجراءات تصحيح فورية
Corrective action that addresses problems at once to get performance back on track.

Importing | استيراد
Acquiring products made abroad and selling them domestically.

Industrial revolution | الثورة الصناعية
A period during the late eighteenth century when machine power was substituted for human power, making it more economical to manufacture goods in factories than at home.

Informal communication | الاتصال غير الرسمي
Communication that is not defined by an organization’s structural hierarchy.

Information overload | فائض المعلومات
A situation in which information exceeds a person’s processing capacity.

Informational roles | الدور الإدراكي
Managerial roles that involve collecting, receiving, and disseminating information.

Initiating structure | دور القيادة في تنظيم العمل و الإعلام بهدف تحقيق الأهداف
The extent to which a leader defines his or her role and the roles of group members in attaining goals.

Innovation | الانبكا
The process of turning creative ideas into useful products or work methods.

Intellectual property | الملكية الفكرية
Proprietary information that’s critical to an organization’s efficient and effective functioning and competitiveness.

Interactionist view of conflict | المنظر التناغمي للصراع
The view that some conflict is necessary for a group to perform effectively.

Interpersonal communication | الاتصالات الشخصية
Communication between two or more people.

Interpersonal communication process | عملية الاتصالات الشخصية بين الأفراد
The seven elements involved in transferring meaning from one person to another.
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