TRADITIONAL LEADERSHIP STYLES INFLUENCING EMPLOYEE WORK BEHAVIORS IN ISLAMIC BANKS OF SINDH, PAKISTAN

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ABSTRACT

Organizations need effective leaders as the behavior of organizational members can be influenced towards organizational goals. Behavioral theories of leadership imply that by adopting a particular behavior infinite and effective leaders can be produced. To explore which style is more effective in organizations, this research was conducted in Iowa State leadership styles and sought. Closed-ended questionnaire was used for data collection for the study. The sample is composed of 160 employees of Islamic banks of three metropolitan cities of Sindh. To analyze the data, SPSS was used in terms of Descriptive Statistics, Pearson correlation, and Chi-Square. Results implied that commitment correlates with democratic leadership and laissez-faire leadership styles. Job satisfaction and organizational citizenship behavior are high in the democratic style. Deviant workplace behavior is associated with an autocratic leadership style. Productivity is not found to be significantly related to any leadership style. Autocratic leadership style is positively correlated with regularity and laissez-faire leadership style is positively correlated with commitment, but both styles do not have a positive influence on other work behaviors. The study advocates the democratic style as the majority like it and it is also positively related to employees’ work behavior in Islamic banks.

Keywords: Leadership, Democratic, Autocratic, Laissez-faire, Employees’ work Behavior.

INTRODUCTION

A navigator can steer a ship or let it sink, just like that an organization heavily depends on leadership which can create chaos or paves smooth ways towards goals. One of the factors that plays a substantial role in augmenting or spoiling the behavior of employees in the organization is leadership style in an organization (Moghaddam and Dehkhodania, 2020; Mohsein, et al., 2019). Leadership is the power to influence the minds and actions of people. Effective leadership is a crucial element for the stability and growth of an organization. Leadership is the use of the leading tactic to offer stimulating drive and to enrich the team’s potential for progress and improvement.

Trait theories have been widely criticized that assert leaders are innate leaders since leaders have some traits or attributes by birth. It was followed by the emergence of the behavioral theories.
that argued that leaders can be produced; we can make infinite effective leaders by giving them training, and it can be done by investigating how successful leaders behaved. This study aims to identify the effectiveness of three traditional styles of leadership that is found in traditional organizations. There are various behavioral theories and various other leadership styles that have been proposed by theorists, but the findings of Iowa state theories have wide implications and are investigated. The Iowa Studies of leadership examined the three leadership styles — democratic, autocratic, and laissez-faire — by experimenting in 1938. Lewin, with Lippitt, and White sought to identify how different styles of leadership could influence the contentment, resentment, annoyance levels of the individuals. The three leadership styles were suggested by them and are defined below.

**Autocratic Leadership**
It is an authoritative leadership style with complete autonomy of the leader overall decisions with a meager input from followers, choices are made based on the leader’s judgments and thoughts.

**Democratic Leadership**
It is a participative leadership style in which the leader provides full supervision and support and followers play a more contributing role in the decision-making process and implementation.

**Laissez-Faire Leadership**
It is a delegating leadership style in which leaders allow followers to make decisions and choices and leaders are hands-off.

In 1948, Mr. Muhammad Ali Jinnah stressed the advantages of Islamic doctrines and expressed his keenness for evolving banking practices compatible with Islamic ideas in his address at the inauguration of the State Bank of Pakistan (Akhtar, 2007). Zubair and Chaudhry (2014) concluded while exploring the agreements and similarities between Conventional and Islamic Banking that the foundation of Islamic business institutions is the need of the Islamic society wherein on the genuine basis and in the light of Shariah principles could be undertaken. The Islamic banking system has appeared like a reasonable and worthwhile substitute for the conventional banking system during the last three decades (Meezan, 2016). Effective leadership helps with the sustainable organizational behavior for pursuing a successful Islamic Banking system the is required. This study seeks to analyze the relationship of three classical leadership styles: Democratic, Autocratic, and Laissez-faire with employees’ behavior of Islamic banks. The six work behaviors were taken as a dependent variable that was emphasized by Robbins and Judge (2009) in their book Organizational Behavior, which is widely referred to by business schools for higher studies.

**Productivity**
The quality of being effective and efficient while transforming inputs into valuable outputs.

**Commitment**
An attitude of an employee to identify with a certain organization and its objectives and willingness to maintain the membership in the organization, means unwillingness to leave an organization.
Regularity
A tendency to be present and report to work.

Job Satisfaction
A degree to which an employee feels positively about his/her job as a result of evaluating its characteristics.

Organizational Citizenship Behavior
Voluntary behavior that is not part of an employee’s official duties, but that however stimulates the effective operations of the organization. Organizational citizenship behaviors (OCB) are one of the fundamental behaviors that enhance the performance of organizations (Nawaz et al., 2017).

Deviant Workplace Behavior
Intentional behavior that disrupts substantial organizational standards and values while doing so jeopardizes the interests of the organization. It also results in poor environment (Baloch et al., 2020). Organizational citizenship behavior and deviant workplace behavior are opposite to each other, though individuals can exhibit both citizenship and deviant behaviors under the influence of the same or different stimuli (Nawaz et al., 2021).

This study aimed to identify the style of leadership perceived to be applied in Islamic banks and it also sought to determine the relationship between leadership styles and work behaviors of employees in Islamic banks. Furthermore, it also investigated that which style of leadership is liked by employees of Islamic banks in Sindh.

Theoretical framework and hypotheses
While experimenting on schoolchildren by assigning three styles of leaders to them, Lewin et al. (1939) advocated a democratic style of leadership because the style was liked by nineteen out of twenty. Laissez-faire leader was preferred by seven out of ten boys to autocratic one as they favored ambiguity and chaos to harshness and stiffness present in the autocratic style. Most aggressiveness, hostility, and indifferent behaviors were observed in an autocratic style. More hostile acts were committed by boys under the laissez-faire style of the leader, as compared to boys under the democratic style.

Kundu, Kumar, and Gahlawat (2019) recommended to empower leaders in banking context, for improving the performance of employees. Similarly, Ha (2020) also emphasized on empowering leadership, since it improves teamwork performance. Idiegbeyan (2018) found that leadership style contributed significantly to the low level of job satisfaction and democratic styled increases the job satisfaction of the employees. Elbaz and Haddoud (2017) inferred that all leadership styles do not influence positively on employees’ satisfaction.

Churchill (2018) opined that better comprehension of leadership styles to gain more knowledge and more importantly, how they will lead us into the future are required. Kakhki, Hadadian, Joyame, and Asl (2020) suggested that positive motivational drives in public libraries strengthened by the leadership. Nawaz, Makhdoom, and Baloch (2019) claimed that misuse of authority causes deviant workplace behavior among the followers. Organizations under autocracy expressed frustration and anger while high submissiveness was found among workers.
in democratic organizations. Smith and Peterson (1988) found that if the productivity of a group is measured, the autocratic style is most efficient, while the self-esteem of employees and smooth operations are maintained in a democratic style. Laisses-faire style causes low self-esteem and dearth of concentration in the work because of the least involvement and guidance of a leader. Democratic leaders involve all members of a group and function at a narrow span but teams are more likely to be motivated. Mgbodile (2004) opines that the democratic style is people-oriented and emphasized the participatory involvement of the followers as compared to the autocratic leadership style which is considered a self-centered style and allows the least contribution of the followers in decision making. Omolayo (2007) concluded that employees under democratic leadership style experience a higher sense of community and practice least job-related pressure in contrast with employees under autocratic leadership style while researching 200 workers of four manufacturing organizations in Nigeria. Fiaz, Su, and Saqib (2017) suggested that institutions should be strengthened by establishing democratic leadership style and development programs.

Kwanya and Stilwell (2018) concluded that that effective leadership styles can facilitate the progress of an organization when they have to keep pace with the challenges of the modern world. So it is immensely imperative to identify an effective leadership style. Shamaki (2015) concluded that employees under democratic leadership are more productive than employees under autocratic leadership while researching 165 public school teachers in Nigeria. Democratic principals were found to be affecting more on teachers’ job productivity than the autocratic principals in maintaining discipline, interpersonal relations, solving employees’ problems, and enhancing job satisfaction. Nasrah (2012) opined that participative leaders motivate and empower employees by involving them in decision making in return employees feel appreciated and sense of belongingness. Hinkin and Schriesheim (2008) criticized laissez-faire leadership because it has a dearth of various leadership attributes. Shafie, Baghersalimi, and Barghi (2013) concluded that organizations require influential leaders, while in laissez-faire leadership every employee considers him/her a leader which will not cause any progress rather will spoil the behavior of employees. However, Wong and Giessner (2018) inferred that in the followers’ perception, laissez-faire leadership and empowering people are similar to each other than opposite.

Mohammed et al. (2014) emphasized maintaining a friendly relationship between leaders and employees because it will improve the behavior of employees and will ultimately affect positively on organizational growth. Leaders can command successfully if they highlight a clear vision for employees’ progress. Wu and Parker (2017) argued that leader indulgence can facilitate proactive work behavior. The studies of Basuil, Manegold, and Casper (2016), Jang and Kandampully (2018), and Kim and Beehr (2018) advocated that leader’s support is an essential determinant of employee outcomes, especially organizational commitment. Frear, Donsbach, Theiligard, and Shanock (2017) suggested that leaders can upgrade employees’ obligations to commit with organization. Sylvia and Cam (2017) and Wu (2017) opined that leaders can help them achieve their work targets. Whereas, Lythreatis, Mostafa, and Wang (2017), and Tahir, Tanveer, Rahman, and Saeed (2017) concluded that leaders guide the followers in meeting organizational strategies and goals. Furthermore, Choudary, Naqshbandi, Philip, and Kumar (2017) and Priyankara et al. (2018) argued that organizational citizenship behavior can be improved by leaders’ help.
Palupi, Cahjono, and Satyawati (2017) inferred that leadership affects the job satisfaction and organizational commitment. Javaid and Mirza (2012) concluded employees’ organizational commitment will be affected positively by the transformational leadership style whereas transactional leadership style less effect on commitment. Likewise, Kawiana et al. (2021) established that leadership has a significant positive impact on organizational commitment. Whereas, Makhdoom (2017) and Makhdoom (2018) could not find the significant effect of leadership on employee commitment. While Parker (2018) suggested that leaders’ actions and decisions affect workforce commitment.

Pradeep and Prabhu (2011) suggested that leaders can enhance productivity by modifying their behaviors in a rational manner which improves employees’ behavior in an organization. Moreover, effective leadership styles can facilitate the progress of an organization when they have to keep pace with the challenges of the modern world. So it is immensely imperative to identify an effective leadership style.

**Conceptual Model**

The conceptual model in **Figure 1** is showing the traditional leadership styles that were described by Iowa Studies namely; Autocratic leadership style, democratic leadership style, and laissez-faire leadership style as independent variables. Whereas, employee work behaviors that were described by Robbins and Judge (2009) and focused by various researchers in their studies to know the effects of leadership and other factors, as dependent variables.

**Figure 1.** Conceptual Model for Traditional Leadership Styles and Employee Work Behaviors

*Hypotheses*
H1: Autocratic leadership style has a significant relationship with employees’ Productivity, Commitment, Regularity, Job Satisfaction, Organizational Citizenship, and Deviant Workplace Behavior

H2: Democratic leadership style has a significant relationship with employees’ Productivity, Commitment, Regularity, Job Satisfaction, Organizational Citizenship, and Deviant Workplace Behavior

H3: Laissez-faire leadership style has an insignificant relationship with employees’ Productivity, Commitment, Regularity, Job Satisfaction, Organizational Citizenship, and Deviant Workplace Behavior

H4: Democratic style is the most favorite leadership style by employees

MATERIALS AND METHODS

Sample
This is a quantitative study using a sample of 160 employees of Islamic banks located in three metropolitan cities of Sindh that were selected randomly; 58 from Karachi, 55 from Hyderabad, and 47 from Sukker. For which eight branches of Meezan Bank Limited and eight branches of The Bank Islami were visited.

Instrument
A close-ended questionnaire was used to collect data for the study, which was composed of 12 items using a four-point Likert scale i.e. 1 = strongly disagree to 4 = strongly agree. They were asked about their Productivity, Commitment, Regularity, Job Satisfaction, Deviant Workplace Behavior, and Organizational Citizenship Behavior in the organization. They were also asked about the type of leader in their organization and their attitude towards the three leadership styles; autocratic, democratic, and laissez-faire.

RESULTS AND DISCUSSION

The leadership style which is perceived to be applied in the Islamic Banks was analyzed. Table 1 indicates the result that concludes Autocratic style is more common with a mean score of 3.1000 (SD = 0.89864). As 44 percent shown stronger agreement on having an Autocratic style in their organization, 33 percent perceived to have a democratic leader in their organization and 16 percent perceived laissez-faire, and the remaining seven percent could not give stronger agreement on any of the styles.

<table>
<thead>
<tr>
<th></th>
<th>Autocratic</th>
<th>Democratic</th>
<th>Laissez-faire</th>
</tr>
</thead>
<tbody>
<tr>
<td>N Valid</td>
<td>160</td>
<td>160</td>
<td>160</td>
</tr>
<tr>
<td>Missing</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Mean</td>
<td>3.10</td>
<td>2.98</td>
<td>2.58</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>.89</td>
<td>.85</td>
<td>.85</td>
</tr>
</tbody>
</table>

Table 1. Most Common Style of Leadership
**H1:** Autocratic leadership style has a significant relationship with employees’ Productivity, Commitment, Regularity, Satisfaction, Organizational Citizenship, and Deviant Workplace Behavior

The null hypotheses have been rejected as all the variables have p<.05, which means there is a significant association between Autocratic Leadership Style and employees’ behavior in Islamic Banks of Sindh, as shown in Table 2.

### Table 2. Autocratic Style: Chi-Square Tests and Pearson Correlation

<table>
<thead>
<tr>
<th></th>
<th>Productivity</th>
<th>Commitment</th>
<th>Regularity</th>
<th>JS</th>
<th>OCB</th>
<th>DWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>58.75</td>
<td>51.73</td>
<td>37.91</td>
<td>21.07</td>
<td>42.66</td>
<td>75.26</td>
</tr>
<tr>
<td>Asymp. Sig. (2-sided)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.012</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.069</td>
<td>-.533</td>
<td>.407</td>
<td>-.261</td>
<td>-.414</td>
<td>.576</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.383</td>
<td>.000</td>
<td>.000</td>
<td>.001</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>160</td>
<td>160</td>
<td>160</td>
<td>160</td>
<td>160</td>
<td>160</td>
</tr>
</tbody>
</table>

*Note:* JS = Job Satisfaction, OCB = Organizational Citizenship Behavior, DWB = Deviant Workplace Behavior

The Pearson correlation coefficient of Productivity is .069 with a p-value of >.05 which means there is a negligible insignificant correlation between Productivity and Autocratic Leadership Style. A moderate significant negative correlation is found with Commitment having r= -.533 and moderate significant positive with Regularity having r=.407. Weak significant negative correlation with Satisfaction having r= -.261 and moderate significant negative with Organizational Citizenship Behavior having r= -.414 and a significant moderate positive correlation with Deviant Workplace Behavior having r=.576, as shown in Table 2.

**H2:** Democratic leadership style has a significant relationship with employees’ Productivity, Commitment, Regularity, Satisfaction, Organizational Citizenship, and Deviant Workplace Behavior

The null hypotheses have been rejected as all the variables have p<.05 except ‘Regularity’ which has p > .05, which means there is a significant association between Democratic Leadership Style and employees’ Productivity, Commitment, Satisfaction, Organizational Citizenship, and Deviant Workplace Behavior, but there is no significant association between Democratic Leadership Style and Regularity of employees in the organizations, as exhibited in Table 3.

### Table 3. Democratic Style: Chi-Square Tests and Pearson Correlation

<table>
<thead>
<tr>
<th></th>
<th>Productivity</th>
<th>Commitment</th>
<th>Regularity</th>
<th>JS</th>
<th>OCB</th>
<th>DWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>16.88</td>
<td>76.96</td>
<td>6.02</td>
<td>78.37</td>
<td>97.85</td>
<td>30.88</td>
</tr>
<tr>
<td>Asymp. Sig. (2-sided)</td>
<td>.050</td>
<td>.000</td>
<td>.737</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.257</td>
<td>.519</td>
<td>-.094</td>
<td>.464</td>
<td>.641</td>
<td>-.415</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.001</td>
<td>.000</td>
<td>.236</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>160</td>
<td>160</td>
<td>160</td>
<td>160</td>
<td>160</td>
<td>160</td>
</tr>
</tbody>
</table>

*Note:* JS = Job Satisfaction, OCB = Organizational Citizenship Behavior, DWB = Deviant Workplace Behavior

Democratic Style has weak positive correlation with Productivity having r= .257, moderate positive correlation with Commitment having r= .519, very weak negative correlation with
Regularity having $p = .236$ and $r = -.094$, a significant moderate positive correlation with Satisfaction having $r = .464$. A strong positive correlation is found with Organizational Citizenship having $r = .641$ and moderate negative correlation with Deviant Workplace Behaviour having $r = -.415$, as exhibited in Table 3.

**H3:** Laissez-faire leadership style has an insignificant relationship with employees’ Productivity, Commitment, Regularity, Satisfaction, Organizational Citizenship, and Deviant Workplace Behavior.

The null hypotheses have been rejected as five variables have $p < .05$, but one variable has $p > .05$, which means there is a significant association between Laissez-faire Leadership Style and employees’ behavior in Islamic Banks of Sindh, as shown in Table 4.

**Table 4. Laissez-faire Style: Pearson Correlation**

<table>
<thead>
<tr>
<th></th>
<th>Productivity</th>
<th>Commitment</th>
<th>Regularity</th>
<th>JS</th>
<th>OCB</th>
<th>DWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>19.50</td>
<td>50.72</td>
<td>17.38</td>
<td>30.13</td>
<td>16.58</td>
<td>30.11</td>
</tr>
<tr>
<td>Asymp. Sig. (2-sided)</td>
<td>.021</td>
<td>.000</td>
<td>.043</td>
<td>.000</td>
<td>.056</td>
<td>.000</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>-.017</td>
<td>.329</td>
<td>-.101</td>
<td>.124</td>
<td>.061</td>
<td>-.173</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.827</td>
<td>.000</td>
<td>.205</td>
<td>.118</td>
<td>.445</td>
<td>.028</td>
</tr>
<tr>
<td>N</td>
<td>160</td>
<td>160</td>
<td>160</td>
<td>160</td>
<td>160</td>
<td>160</td>
</tr>
</tbody>
</table>

*Note:* JS = Job Satisfaction, OCB = Organizational Citizenship Behavior, DWB = Deviant Workplace Behavior

A very weak negative correlation was found with Productivity, Regularity, and Deviant Workplace Behavior having $r = -.017$, $r = -.101$, and -.173 respectively. Very weak positive correlation with Satisfaction and Organizational Citizenship Behaviour having $r = .124$ and $r = .061$ respectively. This style of leadership has a significant moderate positive correlation with Commitment having $r = .329$, as exhibited in Table 4.

**H4:** Democratic style is the most favorite leadership style of employees.

**Table 5. Favorite Style of Leadership**

<table>
<thead>
<tr>
<th></th>
<th>Liked Autocratic leader</th>
<th>Liked Democratic leader</th>
<th>Liked Laissez-faire leader</th>
</tr>
</thead>
<tbody>
<tr>
<td>N Valid</td>
<td>160</td>
<td>160</td>
<td>160</td>
</tr>
<tr>
<td>Mean</td>
<td>2.76</td>
<td>3.33</td>
<td>2.51</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>.90</td>
<td>.63</td>
<td>.83</td>
</tr>
</tbody>
</table>

Democratic Leadership Style emerged as the most favorite leadership style by the employees of Islamic Banks in Sindh with a mean score of 3.3375 (SD = 0.6333) which approves the fourth hypothesis of the study. The least favorite style is the Laissez-faire style with a mean score of 2.5188 (SD = 0.83155) while the Autocratic style’s mean 2.7688 (SD = 0.90576) as shown in Table 5.

**CONCLUSION**
The study evaluated the relationship of the three traditional leadership styles described by Iowa studies with the behavior of employees in Islamic Banks of Sindh. The autocratic style is perceived to be prevailing in most organizations but the majority likes the democratic style. Least liked Laissez-faire style do not have a significant relationship with the variables that were studied except Commitment, which shows employees want to remain in the organization where the boss is so dormant, but other factors do require the vigorous indulgence of the boss. The autocratic style has a significant relationship with Regularity, which means an authoritarian boss makes employees be in the organization. Its negative relation with Commitment denotes employees are fade up by bosses who are dictatorial and their dictatorship does not make employees work more than their formal duties in the organization as it has negative relation with Organizational Citizenship as well. The autocratic style is also correlated to Deviant Workplace Behavior which is a destructing factor.

Democratic Style has a positive correlation with most of the variables that have a positive relationship with organizational behavior like Satisfaction, Commitment, and Organizational Citizenship, which means employees are happy, do not want to leave and work more than their formal duties in the organization under democratic leaders. It also has a negative correlation with Deviant Workplace Behavior which means Democratic leadership can decrease violation of norms. Productivity does not show any significant correlation with any of the styles which means other factors are related to it or respondents could not interpret the variable well.

Democratic Style of Leadership should be followed by bosses in Islamic Banks that may help their prosperity. The study also provides direction for future research; empirical studies can be conducted with a larger sample, in other industries, and other leadership styles may also be evaluated in Islamic Banks.

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ETHICS STATEMENT: None

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