

Rt  
351  
c.1

# **Leadership styles in the Lebanese Banks**

**A research Topic  
Presented to Business School  
Lebanese American University**

**In partial fulfillment  
Of the Requirements for the Degree of  
Master in Business Administration**

**by**

**Charbel S. Mounzer**

**June, 2006**

# Lebanese American University

Beirut - Lebanon

## Approval of Research Topic

**Candidate:** Charbel Sami Mounzer

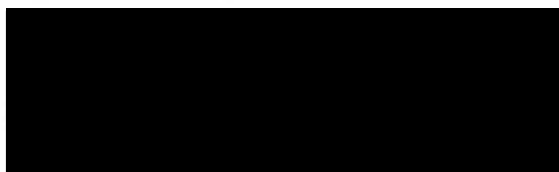
**Date:** June, 2006

**Degree:** Master in Business Administration

**Title:** Leadership styles in the Lebanese Banks

**Advisor:** Dr. Michel Chalhoub

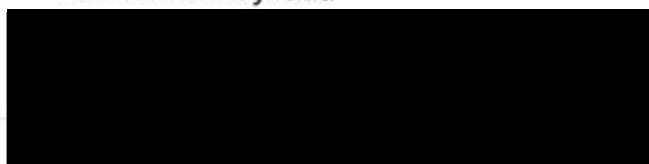
**Signature:**



22 June 06

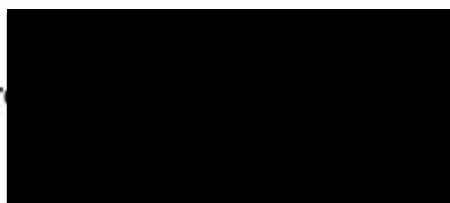
**First Reader:** Dr. Nouri Beyrouti

**Signature:**



**Second Reader:** Mr. Shawki Safieddine

**Signature:**



22 June 06

## **Acknowledgements**

I want to thank Dr. Michel Chalhoub, Dr. Nouri Beyrouti and Mr. Shawki Safieddine for their efforts, suggestions and support that shaped and refined this work.

My deepest gratitude and appreciation goes for Dr. Chalhoub for coaching me through all my academic years.

To my lovely fiancé...

Without you I wouldn't be in this status...

## **Abstract**

The concept of leadership has received quite a high concern from the part of management science. This topic was analyzed in depth throughout history, while its advancement affected many other social science topics.

The purpose of our project is to study the different Leadership styles in the Lebanese banks and to perceive the degree of dependency between Leadership and the banks' financial success.

The study was conducted using a structured questionnaire that tests different leadership signs. The descriptive analysis of the primary data drew a preliminary idea of the dominant leadership style in each bank, while the linear regression analysis of a broad then refined model showed the relationship between leadership style and the enhancement of the financial standing of the bank.

# Table of Content

## I - Introduction

## II - Leadership Definitions

## III - Leadership Theories

### A - Trait Theories of Leadership

### B - Behavioral Theory

### C - Situational Leadership

#### 1 - Transactional Leadership

#### 2 - Transformational Leadership

## IV - Leadership Styles

### A - Directing leadership style

### B - Coaching leadership style

### C - Participating leadership style

### D - Delegating leadership style

## V - The Research

### A - Questionnaire design

#### 1 - Set one

#### 2 - Set two

#### 3 - Set three

#### 4 - Set four

#### 5 - Set five

#### 6 - Set six

#### 7 - Set seven

### B - Research methodology:

#### 1 - Sample Selection

#### 2 - The questionnaire

3 - Data collection

4 - Analysis

A - Descriptive analysis

B - Demographical background

C - Analysis of Leadership style

D - Regression analysis

1 - The independent variable

2 - The dependent variables

3 - SPSS output

4 - Regression Equation

5 - R square

6 - F calculated

7 - P-value

E - Result interpretation

1 - Straight interpretation

2 - Managerial interpretation

F - The refined model

1 - SPSS Output of the refined model

2 - The refined regression equation

3 - Interpretation of the regression equation:

4 - R square

5 - F calculated

6 - Significance level

VI - Conclusion

VII - Recommendations

## Tables

Table 1	Included and Excluded banks
Table 2	Function of participants
Table 3	Average Age of participants
Table 4	Sex of participants
Table 5	Educational Level of participants
Table 6	Educational Background of participants
Table 7	Average Income of participants
Table 8	Leadership style ranges
Table 9	Bank's unified mean
Table 10	Customers' deposits according to the size of the participating banks
Table 11	Independent variables of the first regression model
Table 12	Independent variables of the refined regression model
Table 13	Significance level of the impendent variables in the refined model

## Appendix

Appendix 1	The questionnaire
Appendix 2	Demographical results
Appendix 3	First regression model
Appendix 4	Second regression model



## **I - Introduction**

Day after day, Leadership is playing major role in the development of social and business environment. What is Leadership? What are the traits and characteristics of a leader? To what extend Leadership styles can affect the financial success of Lebanese banks?

The purpose of our project is to study the different types of Leadership and the level of availability of these styles in the Lebanese banks. Our aim is mainly to perceive the degree of dependency between Leadership and the banks' financial standing.

After giving some well know definitions of leadership, we moved to explain the different leadership theories from traits, to behavioral and situational. After that the four major leadership styles were defined and analyzed based on the situational theory.

Once the different dimensions of leadership were closely investigated, we moved to test check how these Leadership styles can influence the Lebanese banks' financial achievement.

A close research was conducted with fifteen Lebanese banks to visualize which leadership style each one adopts. Ten employees from each bank filled a well designed questionnaire that tests the different leadership signs.

The data collected was analyzed using the SPSS as analytical software which formulated a descriptive analysis resuming a preliminary idea about the leadership style of each bank.

A first regression model was created to test the level of relation between the leadership style and the financial success of the bank. A direct relation between those two factors was concluded based on the first model. It was reinforced by a

second refined regression model where only the directly related factors from the first model were included.

The conclusions drawn from the three analyzing steps showed that the most successful banks in Lebanon tend to use the delegating leadership style, in addition of investing in the educational development and career advancement of employees.

In addition of the recommendations given for banks to boost their financial success, a recommendation is given for readers to go through the study to understand more Leadership and how it is related with the success of the bank and any other institution.

## **II - Leadership Definitions**

Leadership like most other concepts has no single or unique definition. The definitions vary from one author to another leaving a non unified description of leadership. Leadership definitions can not be counted, every person has his or her own leadership definition. For such we will only display three definitions of leadership.

The simplest definition of leadership is given by Peter Drucker: "The only definition of a leader is someone who has followers." Followers are gained mainly by influencing them through a high level of integrity. (Unknown 1)

Another simple definition for leadership is given by John Maxwell: "Leadership is influence." It stresses most on the ability of the leader to convince followers. Once the influence is available, irrespective of the mean, a status of leader and follower is created. (Unknown 2)

Michel Chalhoub defines leadership as the ability to lead while having zero control over followers. (Chalhoub)

Many people have tried their best to come up with a concise description for leadership and an outline for its identity practical to all people. Their aim was to tutor leaders and followers on understanding the leadership environment taking place in their business, family, society, or academic life. The development of leadership definitions was created by the development of leadership theories.

### **III - Leadership Theories**

From behaviorist to traits to contingency to transactional and transformational, leadership all theories had a purpose to draw the best style that fits most situations in this fast changing environment of the twentieth century.

Leadership theories are divided mainly into three categories:

- Trait theories of leadership
- Behavioral theories of leadership,
- Situational Leadership, characterized by the leadership relation with followers and includes:
  - Directing
  - Coaching
  - Supporting
  - Delegating
  - Transactional
  - Transformational

#### **A - Traits Theory of Leadership**

This theory shined during 1930's and 1940's. It proposed that leadership can be estimated by concentrating on the personal qualifications and skills of the person.

As a result, whatever the task is, if the individual does not enclose those talents and characteristics he/she can never take part in a leadership role. The belief was that all successful leaders have unique and special traits in common and all efforts were directed toward identifying those characteristics. (Gouldner, pp. 23-25)

However, all researches failed to draw any consistency in the leaders' attributes, but the deepest and most focused research was performed by Ralph Stogdill in 1948 followed by Richard Mann in 1959, combined they identified the following traits distinctive for leaders: (Stogill, pp. 43-50)

- Intelligence
- Dominance
- Self confidence
- Level of energy
- Task Relevance
- Knowledge

(Chalhoub)

## **B - Behavioral Theory**

Behavioral theory is a major change from traits theory; it stresses that leadership ability can be learned, rather than being inherited. Leadership behavioral theories do not seek innate personality characteristics or capabilities, it pressure that traits alone are not enough, but rather what leaders actually do, and how they react to motivate employees to act in response at high levels of performance. (Johnson p. 22)

Two different leadership behaviors were spotted:

**Category I:** Concern for Production: A manager who has high concern for production is task-oriented and focuses on getting results or accomplishing the mission. (Chalhoub)

**Category II:** Concern for People: A manager who has high concern for people avoids conflicts and strives for friendly relations with subordinates. (Chalhoub)

Those two behaviors were plotted on a "Managerial Grid" and the interaction those two categories define the leadership style of the person that can be:

### **Impoverished management:**

Low on Production and People, with minimum efforts are invested to get the work done. (Chalhoub and Northouse p.70)



**Country club management:**

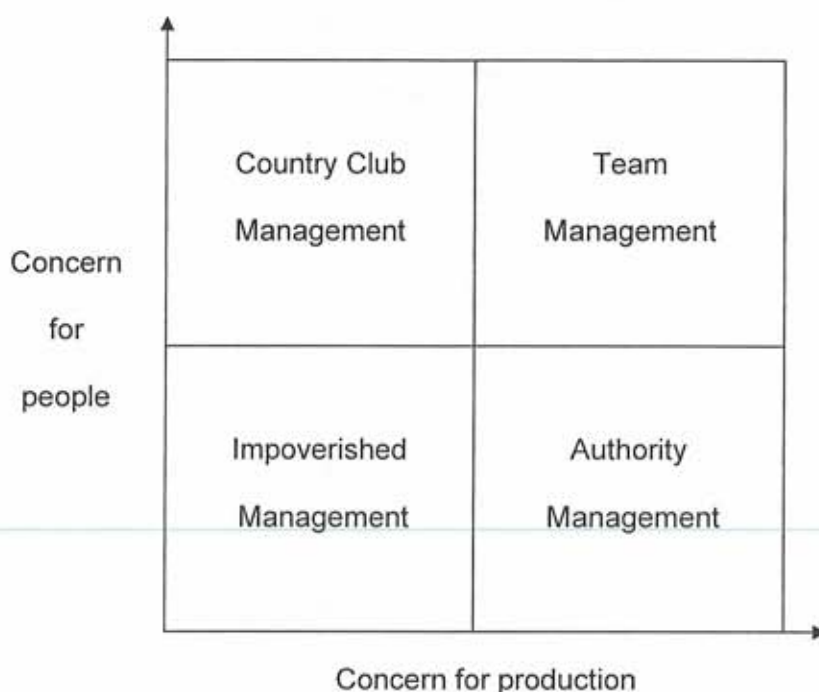
Low on Production and high on People, characterized by friendly atmosphere at work and great attention to the people's needs. (Chalhoub and Northouse p.71)

**Team management:**

High on Production and people, trust and respect drive the relationship between leader and follower. (Chalhoub and Northouse p.71)

**Authority management:**

High on Production and low on People, efficiency is high due to a minimal level of human interference in the work flow. (Chalhoub and Northouse p.71)



(Blake & mouton managerial grid – Northouse, p.70)

The behavioral theory provides a more trustworthy technique to study leadership than the trait theory. The two dimensions used to spot leadership, concern for

production and concern for people, can be shaped by education and training leaving a window for developing leaders rather than being untaught.

### **C - Situational Leadership**

The previous two theories showed that leaders possess many common marks while the style of each is shaped by leader's personality or behaviors.

Moreover, years proved that a homogeneous leadership style for all situations is not appropriate and the most valuable leadership style depends on the situation and the followers' willingness and ability to take on the responsibility.

To be able to choose the suitable leadership style to be used in a certain situation, first the leader should check the followers' ability and willingness to versus the task to be assigned to them. (Nagel, pp.83-89)

An inverse relation should be available between the followers' maturity and the directive behavior of the leader. The more the followers' are ready and willing to be delegated the less directive the leader should be, giving four leadership styles that resulted from the interaction between task and relationship are: Directing, Coaching, Supporting, and Delegating. (Chalhoub)

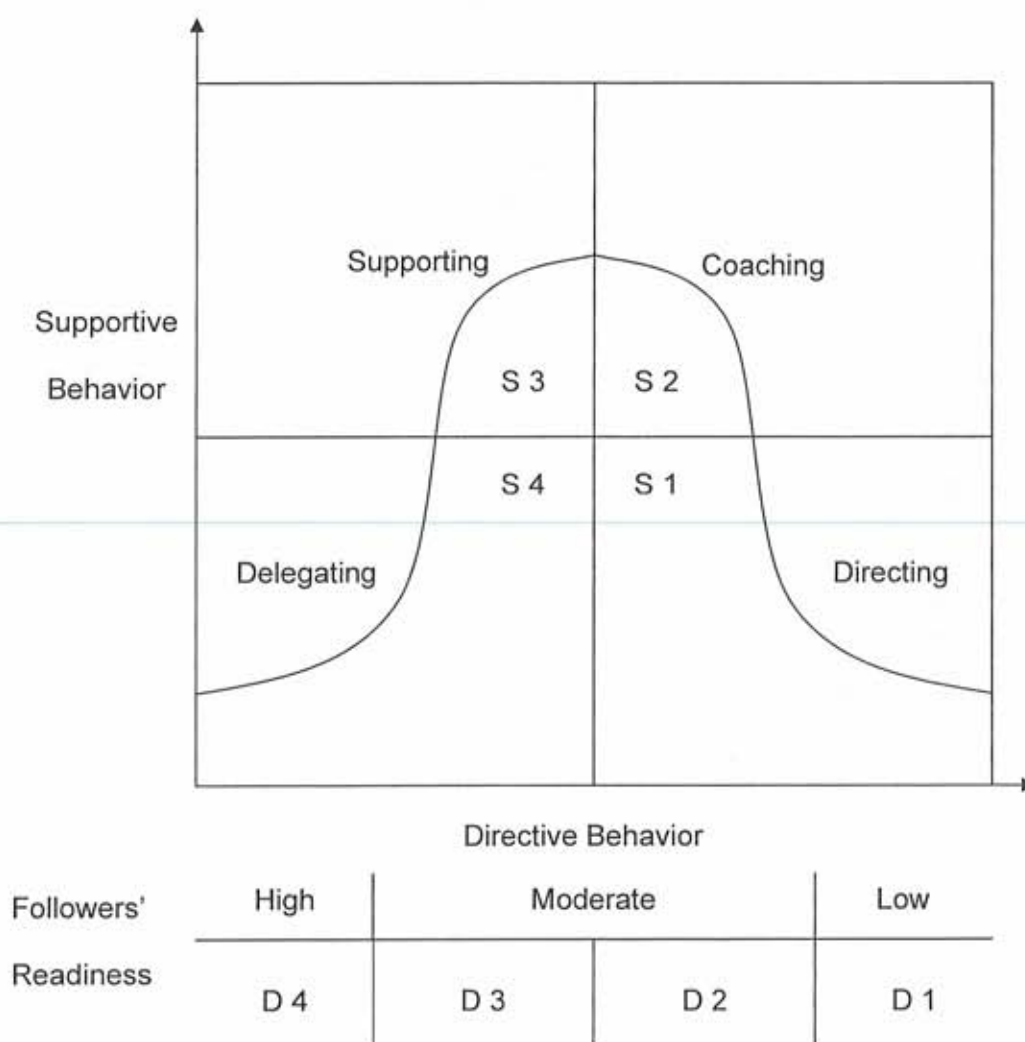
High task and low relationship behavior (S1) is referred to as "Directing" that matches with Low level of followers readiness (D1). Followers lack the skills to complete a certain job and the confidence to undertake it. The leader provides apparent orders and specifies the direction of work. (Gouldner, pp.389-408)

High task and high relationship behavior (S2) is labeled as "Coaching". This leadership style matches the moderate followers' readiness to perform a job, who possess the skills but need support to achieve the tasks. The leader pushes the relation toward a Two-way communication which builds confidence with followers. (Northouse p.89)

High relationship and low task behavior (S3) is named as "Supporting", it match a moderate level of followers readiness (D3), whom are totally proficient to perform the assigned job but lack the self confidence to finish it alone. Decision is shared between leader and follower which totally contradict the directive behavior. (Northouse p.90)

Low relationship and low task behavior (S4) is branded as "delegating" that counterpart with High level of followers readiness (D4). In here, followers are totally self-assured and capable to carry out the responsibility by themselves and the leader is willing to pass on judgments and decisions to subordinates. (Gouldner, pp.459-467)

(Situational Leadership grid – Blanchard p.47 )





## **1 - Transactional Leadership**

Away from the previously explained model but still under the situational theory falls the transactional and transformational style.

The transactional leader works in the context of crafting clear structures for work where it is clear for followers what is essential to do, and the bonuses or rewards given to them once they follow orders. (Nanus, pp.12-13)

Transactional leaders show followers the road of creating goals by illustrating roles and tasks. They use performance dependent rewards to encourage employees, they use corrective actions with subordinates that do not succeed in reaching the set goals by focusing on interpersonal transactions with follower.

A transactional leader controls through work skeleton and procedures while the relationship with the employees is totally dependent on hierarchy. (Popper)

## **2 - Transformational Leadership**

Transformational leaders usually are charismatic and visionary, and move the organization from one status to another. They inspire followers to surpass their personal interest and selfishness for the sake of the over all organization's success. (Nanus, pp.141-147)

Transformational leaders recognize the importance of motivation, achievement and praise. They call for followers' ideals and moral values, inspire them to think about problems in new or different ways and help them free their innovation.

Transformational leader gains the employees' trust by replacing control by delegation and empowerment which facilitate the work flow and create a environment of mutual faith. In heading the organization toward its future, transformational leader aim to bind followers in a unified new vision which will move the organization from one status to another. (Barling)

A close up comparison between Transactional and Transformational leadership can be resumed by the following descriptive table highlighting major differences.

<b>Transactional Leadership</b>	<b>Transformational Leadership</b>
Protect and support the current culture	Confront and change the existing culture
Preserve and improve the present situation	Challenge and alter the current situation
Plan, arrange and direct through installed systems for control	Tutor and coach followers
Individually resolve problems	Empower and entrust followers to solve problems

(Boje and Kapitel)

#### **IV - Leadership Styles**

As a wrapping up of the different leadership theories and definitions, we can conclude that leadership is affected by the characteristics and traits of the leader, in addition of the communication that is taking place in a certain situation and the readiness of the followers to be self directed. (Blanchard p.36)

Throughout history, many leadership styles were identified. It started with a very traditional autocratic approach to a very new democratic one. This evolvement in leadership was mainly created by the change of understanding the meaning of power and its usage. (Chalhoub)

Leadership style is the approach used to persuade people to follow the leader's directions. The four main grouping of styles are the ones used in the situational theory previously analyzed. They can be categorized into:

- Telling or Directing
- Selling or Coaching
- Participating or Supporting
- Assigning or Delegating

In this project, a questionnaire was designed to analyze and test the characteristics of each style and test the level of availability of each style in the Lebanese banks.

##### **A - Directing leadership style**

In such a style the situation is a one man show where the leader defines roles and informs followers what to be done and how, where to do it and when, without getting any advice or listening to the followers (Gouldner p.391). Decision is made by the leader and given to followers through a one way communication channel to execute. Followers are put under close supervision from the leader while functioning, leaving

little flexibility for followers to think for themselves and to let their innovation excel. Having a leader with high concern to outcomes get the followers feel detached, low on self confidence and unable to perform anything without the direct supervision from someone else. (Blanchard pp.30-32)

### **B - Coaching leadership style**

This style slightly differs from the directive style where the leader seeks ideas and suggestions from followers, but the final decision is always made by the leader. Even if the leader still rules, but this two way interaction encourage followers to feel more committed and encouraged to put efforts to increase the efficiency at work. (Northouse pp.89)

This style is unique in combining directive leadership style with democracy, group discussions are encouraged as well as contribution from all team members, but such democracy in nature is not reflected in the final decision taking step. (Blanchard pp.32-33)

### **C - Participating leadership style**

In such a case, the leader passes over the day to day decisions to the followers to take the final decision in. The main concern of the leader is to get the best out of a team, for such the leader encourages group thinking and participate in the decision by giving a pool of solutions for followers to add on them and finalize a better resolution. Meanwhile, the leader makes sure that none of the team members impose a solution on others; rather all employees are given equivalent chance to participate and prove themselves. (Blanchard pp.33-34)

The level of participation may vary based on the type of decision being made and its strategic level. The more tactical the decision is the less participation is given to followers. (Northouse pp.89)

## **D - Delegating leadership style**

As the name say it, the delegating leadership style is differentiated by delegating the judgment to subordinates. In delegating the leader is involved in the decision but the final pronouncement and the control are for the followers, and even they decide where and when the leader will participate. The trust is mutual to a level that followers are given the right to take the decision and the leader is still responsible for the consequences. (Blanchard pp.47)

Once the work is assigned, only little direction is provided by the leader and followers are expected to perform the tasks without any supervision. (Northouse pp.89)



## **V - The Research**

In this leadership research project, a questionnaire was designed to test the signs of leadership availability in the Lebanese banks. The higher the signs are available in the bank the more the leadership style is toward delegating, while the opposite shows the inclination toward more directive leadership style.

Those signs are identified in the following factors:

- The level sharing daily workflow planning with followers
- The level of employees' involvement in decision taking
- The communication channels between leader/follower
- Followers' perception of their direct supervisor's problem solving ability in addition of self confidence.
- The organization's efforts in spreading leadership culture
- The perception of the leader's style

### **A - Questionnaire design**

The questionnaire was designed based on seven set of questions detailed in on the following logic.

#### **1 - Set one**

Question one and two tackle the level of sharing the planning of the work flow between the leader and the followers. Question two specifically tests the level of the followers' awareness about organizational goals which makes them in the picture of where the company is heading.

The more the followers or employees are aware of the future plan of the company and they are involved in the planning and the decisions taking process to reach those goals, the more they feel committed and willing to participate in the overall

company success. Such behaviors make the followers perceive their supervisor as a leader toward the success of the whole team in the context of the organization success.

Does your boss invite you to set work strategies:

- A. Not at all
- B. 1-6 times per year
- C. With every new work strategy

Does your boss educate you about organizational goals?

- A. Not at all
- B. On occasion, Randomly
- C. Always and using different means

## **2 - Set two**

Question three, four and eight check to which level the followers perceive their direct supervisor as technical expert at work able to solve problems spontaneously. They highlight how much the leader is willing to have dirty hands in daily work flow to help employees overcome their problems, and to which level the employees are confident that the supervisor is able to solve their daily problems, which is usually technical ones. It shows the employees' level of trust and faith in their direct supervisor or leader as knowledgeable and technical person able to help them in different work problems.

Does your boss help you overcome barriers for the benefit of getting results in performing your job?

- A. Not at all
- B. Very few times (2-3 times per year)
- C. Always to make the work flow faster

You evaluate your boss's ability in problem solving as:

- A. Much below the level of solving
- B. Good enough to survive problems
- C. Very intelligent with long term view

You are able to discuss work issues with supervisor:

- A. Not at all
- B. Only during pre-set meetings
- C. At any time I can drop by his/her office

### **3 - Set three**

Question five, six and seven also look at the followers' opinion about their leader and to which level they see him/her as self-confident and decision taker in critical moments, able to influence them as a model person. This self-confidence should be also accompanied with the leader's willingness to admit self mistakes otherwise it will turn to be an irritating behavior in the eyes of the followers. Such a self-assurance and mistakes' admittance raises the employees trust in their leader which allows him/her to excel at the participating and delegating roles.

In general you see your boss's self confidence as

- A. No self-confidence
- B. Moderate self-confidence not enough to influence you
- C. He is your ideal person

How your boss usually face difficult decisions

- A. Run away
- B. Face but with stress and panic
- C. With confidence



Does your boss admit his/her mistakes?

- A. Your boss does no mistakes
- B. He/she tries to cover it
- C. He/She admits and works on solutions

#### **4 - Set four**

Question nine and twelve check the willingness of the leader to make the relation with employees less formal by discussing personal problems and helping them in their personal career goal. Such an interaction allows the leader to play the role of the mentor rather than the supervisor at work.

Do you discuss personal problems with your boss?

- A. I do never share with him/her my private life
- B. I moderately share my personal life with my boss
- C. I feel comfortable to drop by his/her office to discuss my problems

Your supervisor is concerned with your personal career goals and helps you in order to reach them:

- A. I do not have any career goal
- B. My boss is not concerned about my career goal
- C. He / she is concerned and do support me in reaching my career goal

#### **5 - Set five**

Question ten and eleven verify the commitment of the organization in spreading the culture of leadership in the overall firm. Question ten checks the investment level made by the firm to train employees on leadership while question eleven tests out the firm's commitment in raising the education level of its employees and lifting their readiness level to perform the job and be delegated to perform different tasks.

How often are you nominated to attend seminars or lectures on leadership development?

- A. Not applicable
- B. One to five seminars per year
- C. More than five per year

Does your firm provide financial assistance to pursue your academic education?

- A. None
- B. Partial tuition
- C. Full tuition

## **6 - Set six**

Question thirteen and fourteen directly tackle the leadership style of the direct supervisor that ranges from delegating all the way to directing style.

Your supervisor delegates you some of his responsibilities

- A. Not at all
- B. From time to time, but I should always refer to him with the decisions
- C. Total delegation, with freedom to take decisions

On every decision, your boss:

- A. Informs you about the decisions taken without any additional information
- B. Clarify his/her decision to you
- C. Discuss with you his/her decision and ask for feedback

## 7 - Set seven

Finally, once employees are ready to be delegated, question fifteen and sixteen verify if employees are rewarded once they perform in a responsible manner toward the success of the company, or based on other factors. In addition, the questions highlight if followers are being rewarded once they perform in a team context, which raise the overall cooperation and relation between employees from different hierarchy level not only with direct colleagues.

Promotions, i.e.: Wages increase, are based on:

- A. No promotions
- B. Personal relationship with your boss
- C. Performance Appraisal and recommendations

Cooperation and teamwork spirit is rewarded in your company:

- A. Not rewarded
- B. Through individual bonus
- C. Through bonus plan for the whole team

## B - Research methodology:

This research intends to examine the leadership style availability in Lebanese bank. Also an effort is directed toward finding a relation between the leadership style and the financial success of the bank.

To point up the methodology followed in this research, what follows is divided as: Sample Selection, Instrumentation, Data collection and Data analysis.

### 1 - Sample Selection

The sampling method involved developing a database of all banks operating in Lebanon along with their contact information which consisted of 55 banks from

which around 43 are registered as S.A.L. This information is obtained through consulting different information banks specialized in the Lebanese territories from which we used 5index and Infopro.

22 Lebanese banks were chosen to conduct the research with; those banks were chosen based on their geographical coverage of the Lebanese territory, and the banks' ranking by customers' deposits according to the size of the bank. High, medium and low ranked banks were chosen in order to have a reliable sample for our study.

Once our sample banks were selected, permissions to conduct the research were ensured from the appropriate persons (Either the human resource manager or the branch manager). Ten employees from each bank working in one or two branches were approached and filled the questionnaire.

At the end of the data collection period, five banks were excluded from the research since they did not abide by filling all the questions and/or all the forms given to them, which could affect the reliability of the research. The banks approached and expelled from the research are highlighted in the following table.

**Table 1:**

Included Banks		Excluded Banks	
1	Allied - BankMed	1	BBAC
2	Arab	2	Credit Libanais
3	Audi	3	Al Mawarid Bank
4	Bank of Beirut	4	Lebanese Islamic Bank
5	BLC	5	Rafidain Bank
6	Blom		
7	Byblos		
8	FNB		
9	Francabank		
10	Intercontinental		
11	Lebanese Canadian		
12	Lebanon & Gulf		
13	Bank Libano Francaise		
14	Misr Liban		
15	SGBL		

(5index of Lebanon and Easy Banking)

## 2 - The questionnaire

As previously explained, the questionnaire is designed to highlight the style of leadership available in each bank, and to test the previously stated signs which show the leadership approach.

The questionnaire is divided into four parts; it starts with the demographic questions including the function, age, gender, education, educational background and the income of each participant.



The second part used in this research project focuses on the level of sharing between follower and leader, the work flow planning and decision taking, the communication channels between the leader and follower, the followers' perception of the supervisor self confidence and problem solving ability and finally the firm's investments in spreading leadership culture.

The third part deals with knowledge management and the fourth treats the managerial intervention in the culture. The last two parts were not used in this project.

Three clearly explained answers are available for each question giving no zone for confusion while responding. Scores from 1 to 3 were assigned to answers, and this scaling is used in the SPSS interpretation later on.

### **3 - Data collection**

The Primary data collection process mainly took place in Hamra and Tripoli branches, where employees are most diverse providing reliable data for the research. The banks with branches in Hamra and Tripoli, ten employees from one branch filled the questionnaire, unless if the number of employees is below ten at this level five employees from each branch were approached.

After the questionnaire is delivered to the related employees, it was collected from them three days later. A precise and accurate follow up was crucial to the success of this step especially with the used questionnaire which analyzes in depth the leadership in each bank. Many employees rejected the questionnaire because of their lack in English language or for other personal reasons, while few bank managers needed to check the questionnaire before being distributed to their employees.

Secondary data was from several academic books, magazines, articles and periodicals which are all documented in the bibliography.

#### **4 - Analysis**

The descriptive and the regression analysis will be applied on the collected data in order to understand more the leadership styles in the Lebanese banks, and the ways it affects the financial success of the bank.

##### **A - Descriptive analysis**

The descriptive analysis is used to give clear figures of the demographical background of the group that participated in the research. In addition to give a preliminary idea of the dominant leadership style in each bank.

##### **B - Demographical background**

The questionnaire was filled by 150 employees working in fifteen different banks. The sample that filled the questions was extremely heterogeneous and diversified ensuring a high level of reliability to the data collected from different backgrounds.

Senior Managers constituted 4.7% of the sample; middle management formed 24% of the participating population while employees formed 71.3% of the contributing pool. The average age participating in the research was 34.7 years old, from which 49.3% are male and 50.7% are females. The educational level of participants is widely varied with the domination of BA/BS degree which figures 53.3% of the total contributors, while the background is lead by the business background forming 75.3% of the total questioned group.

The demography of the sample group was interpreted using the frequency distribution of the SPSS and the results can be resumed in what follows. At the same time the exact SPSS result are included in the appendix.

**Table 2:**

<b>Function</b>	<b>Frequency of occurrence</b>	<b>Percentage of occurrence</b>
Senior Management	7	4.7
Middle Management	36	24
Employee	107	71.3

**Table 3:**

<b>Age</b>	<b>Average Age</b>	
Average age	34.7	

**Table 4:**

<b>Sex</b>	<b>Frequency of occurrence</b>	<b>Percentage of occurrence</b>
Male	74	49.3
Female	76	50.7

**Table 5:**

<b>Educational Level</b>	<b>Frequency of occurrence</b>	<b>Percentage of occurrence</b>
Did not finish school	5	3.3
Technical degree or high school	16	10.7
BA or BS	80	53.3



Masters	47	31.3
PhD	2	1.3

**Table 6:**

<b>Educational Background</b>	<b>Frequency of occurrence</b>	<b>Percentage of occurrence</b>
Business	113	75.3
Math/Physics	2	1.3
Computer Science	7	4.7
Other	28	18.7

**Table 7:**

<b>Income</b>	<b>Frequency of occurrence</b>	<b>Percentage of occurrence</b>
Less than \$500	10	6.7
500-1000	85	56.7
1001-2000	41	27.3
2001-3000	7	4.7
3001 and above	7	4.7

### **C - Analysis of Leadership style**

As previously stated, the banks were chosen among their ranking by customers' deposits according to the size of the bank. Most of the chosen banks were from the Alpha group which has a total deposit over 2 billion USD.

The purpose of this step is to study the dominant leadership style in those success story banks and therefore be able to draw a conclusion about the effect of the leadership style in general in the overall success of the bank.

A scaled range is given to each leadership style; based on those ranges the leadership style is determined by checking in which range the calculated mean falls and therefore which leadership style is most available in the bank.

**Table 8:**

<b>Leadership Style</b>	<b>Lower Level</b>	<b>Upper Level</b>
Directing	0	0.74
Coaching	0.75	1.50
Supporting	1.51	2.26
Delegating	2.27	3.00

The analytical part started with the descriptive SPSS tool which summarizes all the answers in an explanatory manner showing the mean of each question per bank. The higher the mean of each question is, the more the leadership style is toward delegating. The results of each bank are included in the appendix.

Once the mean of each question per bank is calculated, the 16 means are summed up and one mean is calculated for each bank. This will lead us to conclude the dominant leadership style in each bank based on the data collected.

The following table shows the unified mean of each bank which allows us to draw a preliminary picture of the dominant leadership style in the bank.

**Table 9:**

<b>Bank</b>	<b>Mean</b>
Fransabank	2.49
Blom	2.38
Audi	2.37
Bank Libano Francaise	2.33
Bank of Beirut	2.29
Intercontinental	2.18
Lebanese Canadian	2.16
BLC	2.14
Allied - BankMed	2.10
Lebanon & Gulf	2.09
SGBL	2.06
FNB	2.04
Byblos	1.81
Arab	1.79
Misr Liban	1.57

A preliminary look into the descriptive results shows that most successful banks incline toward the delegating leadership style, which means that the alpha group realizes the importance of employees' participation in the success of the bank. Such success is ensured through sharing responsibilities and roles between manager and employees not through performing the job as requested with no window for self involvement.

The above table shows that the leadership style followed by the alpha group is a mixture of delegating and supporting leaving a window to the interpretation of the leadership signs that have the biggest effect in the success of the bank. Such interpretation will take place in the regression analysis part which gives a clearer idea of the magnitude of each factor.

## D - Regression analysis

The regression will be the base of this analysis in which the effect of the leadership's signs on the financial standing of the bank will be analyzed each by itself.

### 1 - The independent variable

The independent variable taken in this study is the financial success of each bank. The customers' deposits according to the size of the bank were used to predict the financial standing of the participating banks which was obtained from the Bilanbanques 2005.

The independent variable is labeled in SPSS as "deposit" and highlighted in the following table in Million USD.

**Table 10** - (Baz, p.506)

Bank	USD Million	Rank
Blom	9,035.58	1
Audi	8,798.29	2
Byblos	5,481.85	3
Allied - BankMed	4,087.01	4
Fransabank	3,817.88	5
Bank Libano Francaise	3,104.20	6
Bank of Beirut	2,836.01	7
SGBL	2,160.78	9
Lebanese Canadian	1,963.88	11
BLC	1,524.47	12
Intercontinental	1,410.50	17
Arab	1,250.22	14
FNB	827.12	15
Lebanon & Gulf	731.77	17
Misr Liban	429.63	22

## 2 - The dependent variables

The regression model contains 16 independent variables with a basic purpose to determine the style of leadership available in the Lebanese banks.

Those dependent variables are marked as follow:

**Table 11:**

Questionnaires		SPSS
X <sub>1</sub>	Does your boss invite you to set work strategies	WORKSTRA
X <sub>2</sub>	Does your boss educate you about organizational goals	GOAL
X <sub>3</sub>	Does your boss help you overcome barriers for the benefit of getting results in performing your job	BARRIERS
X <sub>4</sub>	You evaluate your boss's ability in problem solving as	PROBSOLB
X <sub>5</sub>	In general you see your boss's self confidence as	SELFCONF
X <sub>6</sub>	How your boss usually face difficult decisions	FACEDECI
X <sub>7</sub>	Does your boss admit his/her mistakes	ADMITMIS
X <sub>8</sub>	You are able to discuss work issues with supervisor	DISCWORK
X <sub>9</sub>	Do you discuss personal problems with your boss	PERSPROB
X <sub>10</sub>	How often are you nominated to attend seminars or lectures on leadership development	SEMINARS
X <sub>11</sub>	Does your firm provide financial assistance to pursue your academic education	EDUCATIO
X <sub>12</sub>	Your supervisor is concerned with your personal career goals and helps you in order to reach them	CAREEGOAL
X <sub>13</sub>	Your supervisor delegates you some of his responsibilities	DELEGATE

X <sub>14</sub>	On every decision, your boss	IMPOSEDE
X <sub>15</sub>	Promotions, i.e.: Wages increase, are based on	PROMOTIO
X <sub>16</sub>	Cooperation and teamwork spirit is rewarded in your company	TEAMREWA



### 3 - SPSS output

#### Regression

**Variables Entered/Removed<sup>a</sup>**

Model	Variables Entered	Variables Removed	Method
1	TEAMREWA, DISCWORK, PERSPROB, EDUCATIO, PROMOTIO, FACEDECI, IMPOSEDE, WORKSTRA, SEMINARS, ADMITMIS, BARRIERS, CAREEGOA, DELEGATE, SELFCONF, GOAL, PROBSOLV <sup>a</sup>		Enter

a. All requested variables entered.

b. Dependent Variable: DEPOSIT

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.661 <sup>a</sup>	.437	.370	\$2,094.38

a. Predictors: (Constant), TEAMREWA, DISCWORK, PERSPROB, EDUCATIO, PROMOTIO, FACEDECI, IMPOSEDE, WORKSTRA, SEMINARS, ADMITMIS, BARRIERS, CAREEGOA, DELEGATE, SELFCONF, GOAL, PROBSOLV

ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.5E+08	16	2.8E+07	6.465	.000 <sup>a</sup>
	Residual	5.8E+08	133	4386445		
	Total	1.0E+09	149			

a. Predictors: (Constant), TEAMREWA, DISCWORK, PERSPROB, EDUCATIO, PROMOTIO, FACEDECI, IMPOSEDE, WORKSTRA, SEMINARS, ADMITMIS, BARRIERS, CAREEGOA, DELEGATE, SELFCONF, GOAL, PROBSOLV

b. Dependent Variable: DEPOSIT

Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1066.184	1327.763		-.803	.423
	WORKSTRA	-187.015	279.765	-.058	-.668	.505
	GOAL	-99.638	356.792	-.028	-.279	.780
	BARRIERS	-763.113	309.003	-.206	-2.470	.015
	PROBSOLV	-776.602	432.408	-.181	-1.796	.075
	SELFCONF	-297.280	434.731	-.064	-.684	.495
	FACEDECI	319.566	368.728	.081	.867	.388
	ADMITMIS	649.392	338.710	.159	1.917	.057
	DISCWORK	-648.995	372.852	-.129	-1.741	.084
	PERSPROB	1110.143	278.531	.317	3.986	.000
	SEMINARS	156.721	300.172	.042	.522	.602
	EDUCATIO	1437.418	286.567	.380	5.016	.000
	CAREEGOA	829.326	365.255	.199	2.271	.025
	DELEGATE	199.675	381.626	.045	.523	.602
	IMPOSEDE	239.194	304.776	.065	.785	.434
	PROMOTIO	32.783	247.980	.010	.132	.895
	TEAMREWA	399.473	275.772	.115	1.449	.150

a. Dependent Variable: DEPOSIT



#### 4 - Regression Equation

The equation that will project the relation between the financial success of the bank and the independent variables previously stated is:

$$Y = -1,066.184 - 187.01 X_1 - 99.63 X_2 - 763.11 X_3 - 776.6 X_4 - 297.28 X_5 \\ + 319.56 X_6 + 649.39 X_7 - 648.99 X_8 + 1,110.14 X_9 + 156.72 X_{10} + 1437.41 X_{11} \\ + 829.32 X_{12} + 199.67 X_{13} + 239.19 X_{14} + 32.78 X_{15} + 399.47 X_{16}$$

In linear regression, the coefficient for each independent variable determines the amount of the effect on the dependent variable if the independent variable was increased by 1 unit while holding everything else constant. Such a coefficient with a positive sign shows a direct relation between the two variables, whereas a negative sign shows an indirect one. This logic can be used to calculate the effect of each variable on the dependent one using the regression formula.

#### 5 - R square

The coefficient of multiple determination shows that 43.7% of the variance in the dependent variable is explained by the variation in the independent variables. For an economic problem a  $R^2$  less than 70% is considered low, while for managerial one a  $R^2$  higher than 15% is greatly acceptable. For such, the reliability of this regression model is valid since we are operating in a managerial quadrant with high level of interpersonal interference and still has an adjusted  $R^2 = 37\%$ .

#### 6 - F calculated

With a degree of freedom for denominator around 133 and a degree of freedom for numerator equal to 16, F critical can be determined around 1.7.

$$(n - K = 150 - 17 = 133, k - 1 = 17 - 1 = 16)$$

The F calculated is 6.465

The F critical is 2.42

The fact that the F-calculated is greater than the F-critical confirms that the regression equation is factual. We can conclude that the combination of the independent variables can be reliably used to predict the financial success of the bank.

## **7 - P-value**

The t statistic of each independent variable is its coefficient (B) used in the regression equation divided by the standard error relative to this variable. But what counts is the P value that tells the level of confidence that each independent variable has some level of correlation with the dependent variable. The Significant level of each variable allows us to determine the capacity of each independent variable to forecast the dependent one.

In this managerial study, we will set the significance level to 80%. Having the independent variables highly related one to another and neglecting one variable will greatly affect the whole model we will not neglect any of the independent variables but rather interpret the significance level of each one as it is.

## **E - Result interpretation**

The interpretation of the regression model will take place in two parts, the straight forward one that reflect the exact findings in the regression model. The second part is the managerial interpretation of the regression result which makes more sense in the context of this project.

### **1 - Straight interpretation**

The direct interpretation of the regression equation gives the following:

- The increase in the scale of  $X_1$  by 1 unit, leads to a decrease in Y by 187.015, holding all other variables constant.

- The increase in the scale of  $X_2$  by 1 unit, leads to a decrease in  $Y$  by 99.638, holding all other variables constant.
- The increase in the scale of  $X_3$  by 1 unit, leads to a decrease in  $Y$  by 763.113, holding all other variables constant.
- The increase in the scale of  $X_4$  by 1 unit, leads to a decrease in  $Y$  by 776.602, holding all other variables constant.
- The increase in the scale of  $X_5$  by 1 unit, leads to a decrease in  $Y$  by 297.28, holding all other variables constant.
- The increase in the scale of  $X_6$  by 1 unit, leads to an increase in  $Y$  by 319.566, holding all other variables constant.
- The increase in the scale of  $X_7$  by 1 unit, leads to an increase in  $Y$  by 649.392, holding all other variables constant.
- The increase in the scale of  $X_8$  by 1 unit, leads to a decrease in  $Y$  by 648.995, holding all other variables constant.
- The increase in the scale of  $X_9$  by 1 unit, leads to an increase in  $Y$  by 1,110.143, holding all other variables constant.
- The increase in the scale of  $X_{10}$  by 1 unit, leads to an increase in  $Y$  by 156.721, holding all other variables constant.
- The increase in the scale of  $X_{11}$  by 1 unit, leads to an increase in  $Y$  by 1,437.418, holding all other variables constant.
- The increase in the scale of  $X_{12}$  by 1 unit, leads to an increase in  $Y$  by 829.326, holding all other variables constant.
- The increase in the scale of  $X_{13}$  by 1 unit, leads to an increase in  $Y$  by 199.675, holding all other variables constant.
- The increase in the scale of  $X_{14}$  by 1 unit, leads to an increase in  $Y$  by 239.194, holding all other variables constant.
- The increase in the scale of  $X_{15}$  by 1 unit, leads to an increase in  $Y$  by 32.783, holding all other variables constant.

- The increase in the scale of  $X_{16}$  by 1 unit, leads to an increase in Y by 399.473, holding all other variables constant.

## 2 - Managerial interpretation

Interpreting those results from a managerial point of view allows us to draw the following conclusions.

As fulfilled from the descriptive analysis, the alpha group adopts the delegating leadership style but such delegation, as the regression model showed, is more related with the systems they installed rather than the managers they assign. This explains the inverse relation available between the financial return of the bank and the questions that deal with the strategic planning of the work and the technical background of the supervisor.

The success of the bank is directly correlated with the questions that deals with the leader's the personal relation with the supervisor, the level of delegating roles and the overall investment done by the firm to broaden the leadership culture. Those factors that belong to the set four, five, six and seven of the questionnaire will allow us to refine the regression model into a new and more focused one.

The logic used in the coefficient of multiple determination was used again in here to set the significance level in this managerial project to 40%.

An economic research project all accepted independent variable must have a maximum Sig= .05 which mean 95% sure that the relation is significant.

Based on the 40% significance level, two independent variables will be rejected, setting career goal with a Sig= .78 and the promotion basis with sig= .895.

In what follows is the explanation of the broad model starting with the directly related sets of questions.



The financial support to the employees to pursue education is the most influential factor of the overall financial success of the bank. It shows a high relation level in addition with a high significance level Sig = .000 making us approximately 100% sure that it affects the success of the bank.

#### Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
EDUCATIO	1437.418	286.567	.380	5.016	.000

The second most dominant factor that affects the independent variable is the discussion of personal problems between employees and supervisor. With a significance level also close to 100% Sig = .000 makes it a crucial factor in the success of the bank.

#### Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
PERSPROB	1110.143	278.531	.317	3.986	.000

Setting career goal and having the support of the supervisor is the third positively related factor that most affect the success of the bank. It combines the personal relation with the boss and the opportunities offered by the organization for employees' development. With a 97% significance level, Sig = .025, it turns to be another highly considerable factor shaping the success of the bank.

## Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
CAREEGOA	829.326	365.255	.199	2.271	.025

The last factor with a high acceptable significance level, even for economic projects which is greater than 80%, is the reward given to employees based on the team performance. Such type of reward upon the performance of the whole team showed its large positive relation with the financial success of the bank.

Team reward, which belongs to the set seventh set.

The promotion basis is in the same set of questions but it will be excluded from the next model since it showed an inverse relation with the independent variable, the financial success of the bank.

## Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
TEAMREWA	399.473	275.772	.115	1.449	.150

For this managerial study we will consider all significance level as acceptable especially that we are dealing with a high level of delicate information that deals with feelings and perceptions that highly alter from one person to another.

The levels of directing and or delegating employees are also directly related with the success of the bank with an acceptable level of significance for a managerial study.



Those two factors are the explicit questions about the study we are conducting, the leadership style. The results are given away in the following tables.

#### Relation with DELEGATE

##### Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
DELEGATE	199.675	381.626	.045	.523	.602

#### Relation with IMPOSEDE

##### Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
IMPOSEDE	239.194	304.776	.065	.785	.434

The final question that will be included in the refined model is training employees about leadership through seminars.

The relation with SEMINARS is shown in the following table.

##### Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
SEMINARS	156.721	300.172	.042	.522	.602

The remaining factors are even negatively related with the dependent variable or belong to a set of questions that showed a negative relation with the success of the bank. For such, only a listing of the results will take place even thou the relation with ADMITMIS, the leader admitting his/her mistake, is highly significant.

The independent variables that were not included in the refined model are the following.

#### Relation with WORKSTRA

##### Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
WORKSTRA	-187.015	279.765	-.058	-.668	.505

#### Relation with GOAL

##### Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
GOAL	-99.638	356.792	-.028	-.279	.780

The two questions of set one showed a negative relation with the success of the bank. This can be linked with efficiency of employees, increasing the time spent by employees setting work goals will reduce the efficiency especially if it is done regularly. Spending too much time of setting work strategies and goals will devote employees from executing the daily work load.

In addition, they should be educated about the organizational goals but in a reasonable, mainly the ones that affect the daily employees' work should be connected with them. Whereas over sharing the strategic goals of the organization decrease the efficiency of employees. Being negatively independent variables will make us remove the variables from the refined model.

#### Relation with BARRIERS

##### Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
BARRIERS	-763.113	309.003	-.206	-2.470	.015

#### Relation with PROBSOLV

##### Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
PROBSOLV	-776.602	432.408	-.181	-1.796	.075

#### Relation with DISCWORK

##### Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
DISCWORK	-648.995	372.852	-.129	-1.741	.084

The questions of set two were all negatively related with the financial success of the bank. Those questions test the work expertise of the supervisor and show that a technical expert in a supervisory position is not beneficial for the bank. As previously said, a supportive leader for employees' personal problems and career goal participate more than a technical one in the triumph of the banks' financial standing. The three questions of set three were all excluded from the refined model because of their negative relation with the dependent variable.

#### Relation with SELFCONF

##### Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
SELFCONF	-297.280	434.731	-.064	-.684	.495

#### Relation with FACEDECI

##### Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
FACEDECI	319.566	368.728	.081	.867	.388

### Relation with ADMITMIS

#### Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
ADMITMIS	649.392	338.71	.159	1.917	.057

Facing difficult decisions and admitting mistakes belong to set three where self confidence is negatively related with the dependent variable, because of which we will exclude the whole set of the refined model. In here we should highlight that a high level of individual judgment was used to choose the sets and the questions included in the refined model. No clear cut criteria were used to choose the independent variables of the refined model but rather logical and personal choices.

### Relation with PROMOTIO

#### Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
PROMOTIO	32.783	247.980	.010	.132	.895

Having a significance level of 10.5% makes us reject the relation and expel it from the refined model alone and not its set of questions.

Even dealing with a managerial research such a low significance level cannot be accepted and we will stick to the previously set significance level of minimum 40%.

We can highlight here that that individual reward could raise clashes between employees where each search for his/her own benefits rather than the overall team achievement. This point of view can be reinforced with the high relation found between team reward and the dependent variable with an 85% significance level.



Which allow us to draw the conclusion that team reward system is much more beneficial for the overall success of the bank than individual reward.

#### F - The refined model

To reinforce the conclusion previously reach, another regression model will be applied using the financial success of the bank as dependent variable while the independent variable are the questions that deal with personal relation between leader and follower, the educational support and the training of employees, the level of delegation and finally the team reward and career goal of the employees.

**Table 12:**

Model 1	Model 2	Questions	SPSS
X 9	X 1	Do you discuss personal problems with your boss	PERSPROB
X 10	X 2	How often are you nominated to attend seminars or lectures on leadership development	SEMINARS
X 11	X 3	Does your firm provide financial assistance to pursue your academic education	EDUCATIO
X 12	X 4	Your supervisor is concerned with your personal career goals and helps you in order to reach them	CAREEGOAL
X 13	X 5	Your supervisor delegates you some of his responsibilities	DELEGATE
X 14	X 6	On every decision, your boss	IMPOSEDE
X 16	X 7	Cooperation and teamwork spirit is rewarded in your company	TEAMREWA

The results of the second model are a positive relation between the dependent variable and all the independent ones, with high significance level for each factor. Such a result completely reinforces the conclusion previously drawn from the descriptive analysis and the broad regression model.



## 1 - SPSS Output of the refined model

### Regression

**Variables Entered/Removed<sup>a</sup>**

Model	Variables Entered	Variables Removed	Method
1	TEAMREWA, PERSPROB, EDUCATIO, CAREEGOA, IMPOSEDE, SEMINARS, DELEGATE		Enter

a. All requested variables entered.

b. Dependent Variable: DEPOSIT

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.569 <sup>a</sup>	.324	.290	\$2,222.68

a. Predictors: (Constant), TEAMREWA, PERSPROB, EDUCATIO, CAREEGOA, IMPOSEDE, SEMINARS, DELEGATE

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.4E+08	7	4.8E+07	9.704	.000 <sup>a</sup>
	Residual	7.0E+08	142	4940297		
	Total	1.0E+09	149			

a. Predictors: (Constant), TEAMREWA, PERSPROB, EDUCATIO, CAREEGOA, IMPOSEDE, SEMINARS, DELEGATE

b. Dependent Variable: DEPOSIT

Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-3340.897	935.126		-3.573	.000
	PERSPROB	749.734	265.610	.214	2.823	.005
	SEMINARS	444.173	299.880	.118	1.481	.141
	EDUCATIO	1292.670	290.287	.341	4.453	.000
	CAREEGOA	357.798	316.401	.086	1.131	.260
	DELEGATE	231.313	377.944	.053	.612	.541
	IMPOSEDE	106.058	294.020	.029	.361	.719
	TEAMREWA	362.806	272.672	.104	1.331	.185

a. Dependent Variable: DEPOSIT

## 2 - The refined regression equation

$$Y = -3340.897 + 749.734 X_1 + 444.173 X_2 + 1,292.670 X_3 + 357.798 X_4 \\ + 231.313 X_5 + 106.058 X_6 + 362.806 X_7$$

## 3 - Interpretation of the regression equation:

- The increase in the scale of  $X_1$  by 1 unit, leads to a decrease in Y by 749.734, holding all other variables constant.
- The increase in the scale of  $X_2$  by 1 unit, leads to a decrease in Y by 444.173, holding all other variables constant.
- The increase in the scale of  $X_3$  by 1 unit, leads to a decrease in Y by 1,292.670, holding all other variables constant.
- The increase in the scale of  $X_4$  by 1 unit, leads to a decrease in Y by 357.798, holding all other variables constant.
- The increase in the scale of  $X_5$  by 1 unit, leads to a decrease in Y by 231.313, holding all other variables constant.
- The increase in the scale of  $X_6$  by 1 unit, leads to an increase in Y by 106.058, holding all other variables constant.
- The increase in the scale of  $X_7$  by 1 unit, leads to an increase in Y by 362.806, holding all other variables constant.

## 4 - R square

32.4% of the variance in the dependent variable is explained by the variation in the independent variables. As previously said, the accepted level of the coefficient of multiple determinations in a managerial study is 15% which makes this model a reliable one.

### 5 - F calculated

The F calculated is 9.704

The F critical is 1.94

Since  $F_{\text{critical}} < F_{\text{calculated}}$  allows us to validate that the regression equation is accurate.

### 6 - Significance level

Having all the variables positively related with the dependent variable, with significance levels as follow

**Table 13:**

<b>Variable</b>	<b>Sig.</b>
PERSPROB	.005
SEMINARS	.141
EDUCATIO	.000
CAREEGOA	.260
DELEGATE	.541
IMPOSEDE	.719
TEAMREWA	.185

makes us accept the model as it is with all its variables and its regression equation.

## **VI – Conclusion**

The purpose of this study is to check to which level the leadership style available in the Lebanese banks affect its financial success.

Based on the results of the sample that got involved in the study analyzed through the descriptive analysis and the regression models formulated we can conclude most successful banks adapt the delegating leadership style. The more the bank lean toward directive style the less successful it gets.

A direct relationship was drawn between the delegating leadership style and the bank's success in both regression models.

Straight connection between the success of the bank and different factors was formulated. The highest factor that affects the monetary success of the bank is the financial assistance given to employees to continue their education. The higher employees are educated, the more they can play leadership roles and be delegated to participate in the success of the bank. Also sending the employees to attend leadership seminars, which falls under the category of developing staff, leads to a more successful performance.

Which highlight the fact that investing in developing its manpower, pays back as financial success for the bank.

Another cause for the financial success that can be categorized as a firm's effort to spread leadership is the offering of career goal for employees to encourage excelling at their work and seeking advancement. Adding to it the financial rewards given based on the team's results encourage cooperation between all employees from different hierarchical levels.

The personal relationship with the supervisor falls second with its magnitude in affecting the bank's financial achievements. With a friendly two way communication

channel between the supervisor and employee, the workflow gets smoother away from clashes resulting with more achievements to the bank.



## **VII - Recommendations**

By now banks know seven major factors that affect its financial success, based on those factors actions can be taken.

Further study should take place by analyzing more the employees' readiness to be delegated in each bank. As a start, such readiness should be matched with the available leadership style based on the situational leadership model.

Once the bank knows where it is standing, it should work on the level of their employees' readiness in order to be able to apply more delegating leadership style or prepare leaders from within to lead the change from inside.

A system for employees' development should be installed in place, and delegating supervisors should be assigned to guide the workflow in a friendly ambiance where each performs his/her job with full responsibilities.

A unique prescription to boost the financial success of the bank is not available, but the conducted study showed a system for developing employees through financial support of their education in addition of leadership seminars, accompanied with a delegating leadership style and a team rewarding system forms the right combination for the monetary triumph of the bank.

Banks should focus their work on employees' readiness level, as explained in the situational leadership theory, increasing their educational standing even if they did not adopt a delegating leadership style.

With no doubt, having a well educated skilled and willing workforce will for sure lead to a better financial standing for the bank.

# Appendix 1

## Only questions 16-29 & 42 were used in this research



LEBANESE AMERICAN  
UNIVERSITY

### Lebanese American University - Leadership Questionnaire

This questionnaire provides a description of the management's leadership style. 40 descriptive statements are listed below. Judge how frequently each statement fits your situation.

**N.B:** All the following questions are anonymous and will stay confidential and only used in this research

Function: ☐ Top Management ☐ Middle Management ☐ Employee

Age: ----- Gender: ☐ Male ☐ Female No. of years spent in this firm: -----  
No. of years spent in this Branch: -----

Education: ☐ Did not finish School ☐ Technical or high school ☐ B/a or B/s ☐ Master ☐ PHD

Educational Background: ☐ Business ☐ Engineering ☐ Math/physics ☐ Computer Science ☐ Other

Income: ☐ Less than \$500 ☐ 500 - 1000 ☐ 1001 - 2000 ☐ 2001 - 3000 ☐ 3001 and above

1. I feel good around my supervisor.

- A. Not at all
- B. Sometimes
- D. Frequently, if not always.

2. My supervisor usually expresses what I could and should do with a few simple words, providing us with appealing images.

- A. Not at all
- B. Sometimes
- D. Frequently, if not always

3. My supervisor enables me to think about old problems in new ways.

- A. Not at all
- B. Sometimes
- D. Frequently, if not always

4. My supervisor is concerned with my personal career goals and helps me in order to reach them.

- A. Not at all
- B. Sometimes
- D. Frequently, if not always

5. My supervisor usually tells me what to do if I want to be rewarded for my work.

- A. Not at all
- B. Sometimes
- D. Frequently, if not always

6. The supervisor is satisfied when we meet standards that we agreed upon.

- A. Not at all
- B. Sometimes
- D. Frequently, if not always

7. I am allowed to do things my way as long as I meet all my objectives.

- A. Not at all
- B. Sometimes
- D. Frequently, if not always



8. I have complete faith in my supervisor.
- A. Not at all
  - B. Sometimes
  - D. Frequently, if not always
9. My supervisor helps me find meaning in my work.
- A. Not at all
  - B. Sometimes
  - D. Frequently, if not always
10. My supervisor makes me rethink ideas that I never really questioned before.
- A. Not at all
  - B. Sometimes
  - D. Frequently, if not always
11. My supervisor always tells me how good he or she thinks I am doing.
- A. Not at all
  - B. Sometimes
  - D. Frequently, if not always
12. I get recognition/rewards when I reach my goals.
- A. Not at all
  - B. Sometimes
  - D. Frequently, if not always
13. As long as things are working, my supervisor does not try to change anything.
- A. Not at all
  - B. Sometimes
  - D. Frequently, if not always
14. I am only asked to perform what is absolutely essential.
- A. Not at all
  - B. Sometimes
  - D. Frequently, if not always
15. Does your boss invite you to set work strategies:
- A. Not at all
  - B. 1-6 times per year
  - C. With every new work strategy
16. Does your boss educate you about organizational goals?
- A. Not at all
  - B. On occasion. Randomly
  - C. Always and using different means
17. Does your boss help you overcome barriers for the benefit of getting results in performing your job?
- A. Not at all
  - B. Very few times (2-3 times per year)
  - C. Always to make the work flow faster
18. You evaluate your boss's ability in problem solving as:
- A. Much below the level of solving
  - B. Good enough to survive problems
  - C. Very intelligent with long term view
19. In general you see your boss's self confidence as
- A. No self-confidence
  - B. Moderate self-confidence not enough to influence you
  - C. He is your ideal person



- 54



33. Do you consider that management and executives are aware that promoting Knowledge Management is beneficial for your firm?
- A. Not aware at all
  - B. Fairly aware
  - C. Very aware and totally involved
34. Does your firm capture and use knowledge obtained from competitors or other sources:
- A. Not at all
  - B. In a reasonable way
  - C. Enormously and from different resources
35. Do you have an Information Technology system which facilitates the flow of ideas from front liners to senior management?
- Yes No
36. In your firm, is knowledge shared by a centralized database?
- Yes No
37. If yes, indicate the frequency of its update
- A. Once per year
  - B. Once or twice every quarter
  - C. More than once per month
38. Do you attend workshops, related to Knowledge management practices:
- A. Not applicable
  - B. One to five seminars per year
  - C. More than five per year
39. Relationship between members and the environment around them is:
- A. Taken for granted
  - B. Highlighted through verbal and non verbal communication
  - C. Through tailored processes visible to all
40. In your opinion, the level of intervention in your company at the cultural level is:
- A. Adequate
  - B. Should be increased
  - C. Should be reduced
41. Cooperation and teamwork spirit is rewarded in your company:
- A. Not rewarded
  - B. Through individual bonus
  - C. Through bonus plan for the whole team

## Appendix 2

### Function

#### Statistics

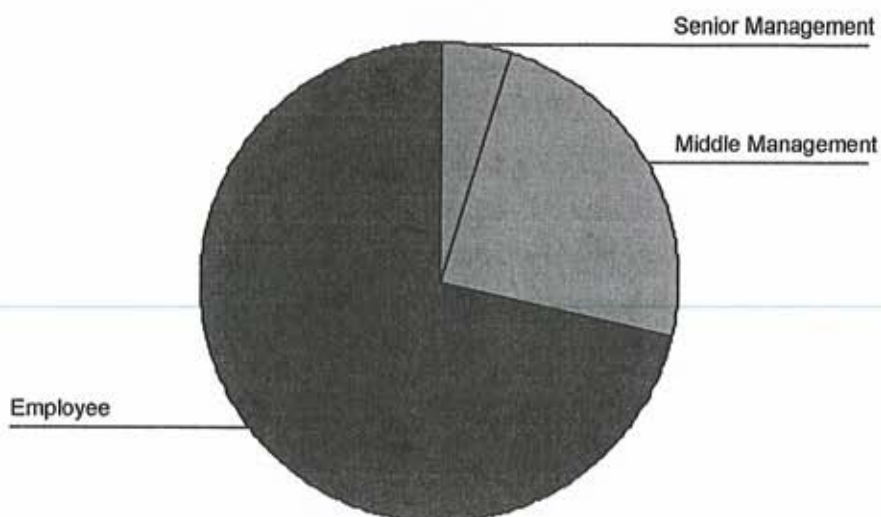
function

N	Valid	150
	Missing	0
Mean		2.6667
Sum		400.00

function

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Senior Management	7	4.7	4.7	4.7
	Middle Management	36	24.0	24.0	28.7
	Employee	107	71.3	71.3	100.0
	Total	150	100.0	100.0	

function





# AGE

## Statistics

AGE

N	Valid	150
	Missing	0
Mean		34.70
Sum		5205

## AGE

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 21	1	.7	.7	.7
22	2	1.3	1.3	2.0
23	7	4.7	4.7	6.7
24	3	2.0	2.0	8.7
25	19	12.7	12.7	21.3
26	7	4.7	4.7	26.0
27	11	7.3	7.3	33.3
28	2	1.3	1.3	34.7
29	6	4.0	4.0	38.7
30	7	4.7	4.7	43.3
31	7	4.7	4.7	48.0
32	6	4.0	4.0	52.0
33	1	.7	.7	52.7
34	5	3.3	3.3	56.0
35	8	5.3	5.3	61.3
36	2	1.3	1.3	62.7
37	1	.7	.7	63.3
38	6	4.0	4.0	67.3
39	7	4.7	4.7	72.0
40	5	3.3	3.3	75.3
41	2	1.3	1.3	76.7
42	2	1.3	1.3	78.0
43	2	1.3	1.3	79.3
44	1	.7	.7	80.0
45	5	3.3	3.3	83.3
46	1	.7	.7	84.0
47	2	1.3	1.3	85.3
48	3	2.0	2.0	87.3
49	3	2.0	2.0	89.3
50	3	2.0	2.0	91.3
51	2	1.3	1.3	92.7
53	3	2.0	2.0	94.7
55	5	3.3	3.3	98.0
56	1	.7	.7	98.7
57	1	.7	.7	99.3
60	1	.7	.7	100.0
Total	150	100.0	100.0	

## Gender

### Statistics

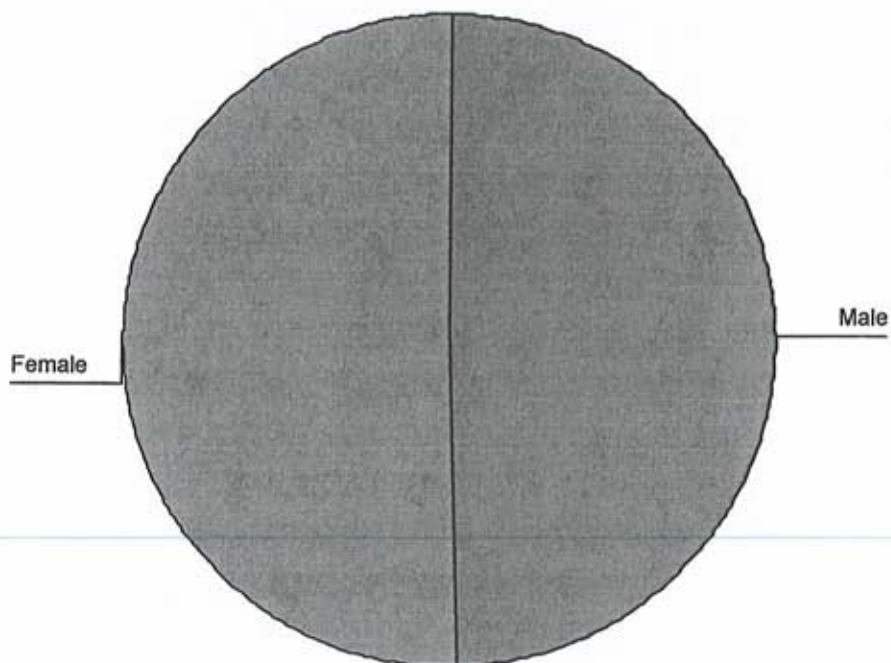
Gender

N	Valid	150
	Missing	0
Mean		1.5067
Sum		226.00

### Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	74	49.3	49.3	49.3
	Female	76	50.7	50.7	100.0
	Total	150	100.0	100.0	

### Gender



## Educational Level

### Statistics

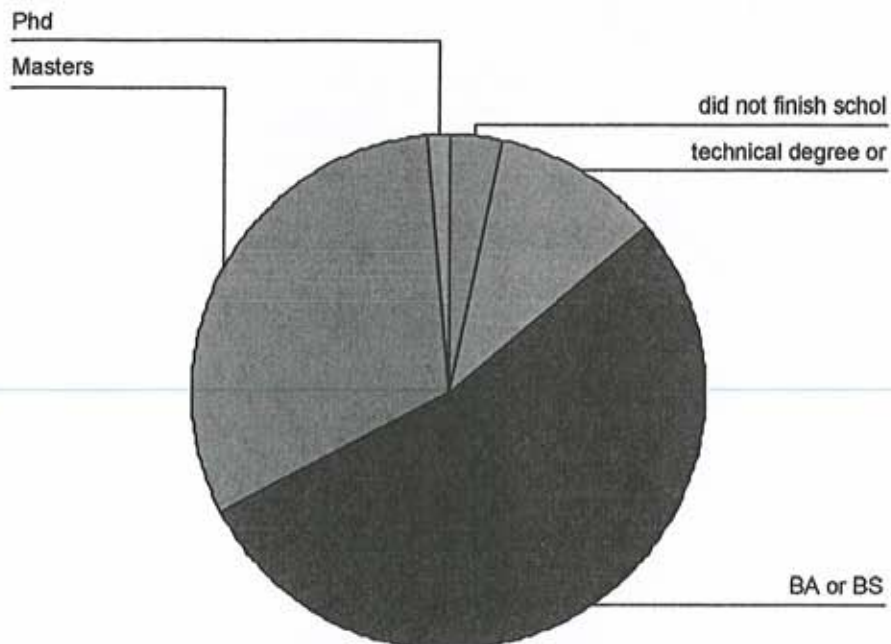
#### Educational Level

N	Valid	150
	Missing	0
Mean		3.1667
Sum		475.00

#### Educational Level

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid did not finish school	5	3.3	3.3	3.3
technical degree or highschool	16	10.7	10.7	14.0
BA or BS	80	53.3	53.3	67.3
Masters	47	31.3	31.3	98.7
Phd	2	1.3	1.3	100.0
Total	150	100.0	100.0	

## Educational Level



## Educational Background

### Statistics

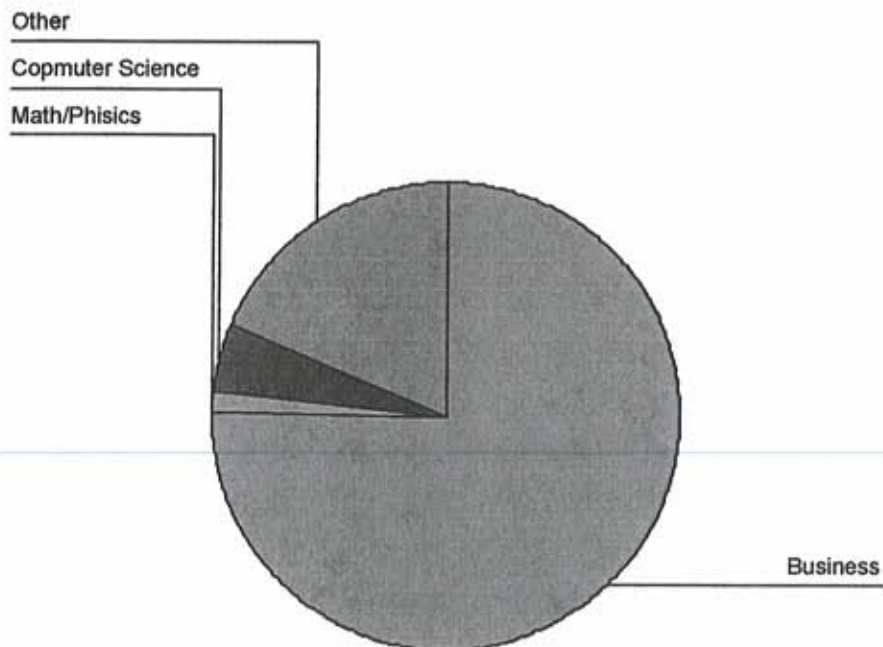
#### Educational Background

N	Valid	150
	Missing	0
Mean		1.9133
Sum		287.00

#### Educational Background

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Business	113	75.3	75.3	75.3
	Math/Physics	2	1.3	1.3	76.7
	Copmuter Science	7	4.7	4.7	81.3
	Other	28	18.7	18.7	100.0
	Total	150	100.0	100.0	

## Educational Background



## Income

### Statistics

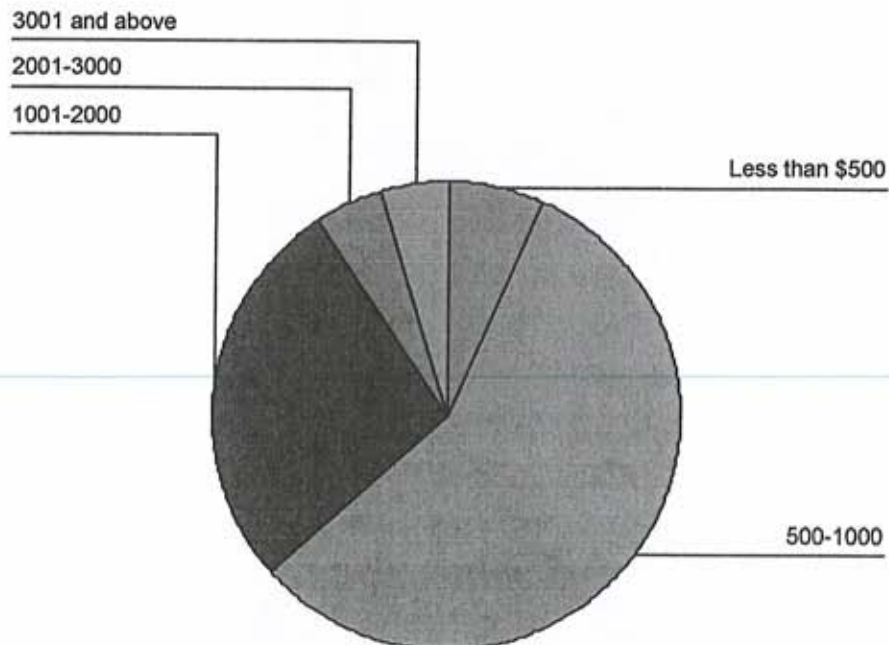
Income

N	Valid	150
	Missing	0
Mean		2.4400
Sum		366.00

### Income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than \$500	10	6.7	6.7	6.7
	500-1000	85	56.7	56.7	63.3
	1001-2000	41	27.3	27.3	90.7
	2001-3000	7	4.7	4.7	95.3
	3001 and above	7	4.7	4.7	100.0
	Total	150	100.0	100.0	

### Income





## Appendix 3

### Regression

Variables Entered/Removed<sup>a</sup>

Model	Variables Entered	Variables Removed	Method
1	TEAMREWA, DISCWORK, PERSPROB, EDUCATIO, PROMOTIO, FACEDECI, IMPOSEDE, WORKSTRA, SEMINARS, ADMITMIS, BARRIERS, CAREEGOA, DELEGATE, SELFCONF, GOAL, PROBSOLV <sup>a</sup>		Enter

a. All requested variables entered.

b. Dependent Variable: DEPOSIT

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.661 <sup>a</sup>	.437	.370	\$2,094.38

a. Predictors: (Constant), TEAMREWA, DISCWORK, PERSPROB, EDUCATIO, PROMOTIO, FACEDECI, IMPOSEDE, WORKSTRA, SEMINARS, ADMITMIS, BARRIERS, CAREEGOA, DELEGATE, SELFCONF, GOAL, PROBSOLV

ANOVA<sup>b</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.5E+08	16	2.8E+07	6.465	.000 <sup>a</sup>
	Residual	5.8E+08	133	4386445		
	Total	1.0E+09	149			

a. Predictors: (Constant), TEAMREWA, DISCWORK, PERSPROB, EDUCATIO, PROMOTIO, FACEDECI, IMPOSEDE, WORKSTRA, SEMINARS, ADMITMIS, BARRIERS, CAREEGOA, DELEGATE, SELFCONF, GOAL, PROBSOLV

b. Dependent Variable: DEPOSIT

Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1066.184	1327.763		-.803	.423
	WORKSTRA	-187.015	279.765	-.058	-.668	.505
	GOAL	-99.638	356.792	-.028	-.279	.780
	BARRIERS	-763.113	309.003	-.206	-2.470	.015
	PROBSOLV	-776.602	432.408	-.181	-1.796	.075
	SELFCONF	-297.280	434.731	-.064	-.684	.495
	FACEDeci	319.566	368.728	.081	.867	.388
	ADMITMIS	649.392	338.710	.159	1.917	.057
	DISCWORK	-648.995	372.852	-.129	-1.741	.084
	PERSPROB	1110.143	278.531	.317	3.986	.000
	SEMINARS	156.721	300.172	.042	.522	.602
	EDUCATIO	1437.418	286.567	.380	5.016	.000
	CAREEGO	829.326	365.255	.199	2.271	.025
	DELEGATE	199.675	381.626	.045	.523	.602
	IMPOSEDE	239.194	304.776	.065	.785	.434
	PROMOTIO	32.783	247.980	.010	.132	.895
	TEAMREWA	399.473	275.772	.115	1.449	.150

a. Dependent Variable: DEPOSIT

## Appendix 4

### Regression

**Variables Entered/Removed<sup>a</sup>**

Model	Variables Entered	Variables Removed	Method
1	TEAMREWA, PERSPROB, EDUCATIO, CAREEGOA, IMPOSEDE, SEMINARS, DELEGATE <sup>a</sup>		Enter

a. All requested variables entered.

b. Dependent Variable: DEPOSIT

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.569 <sup>a</sup>	.324	.290	\$2,222.68

a. Predictors: (Constant), TEAMREWA, PERSPROB, EDUCATIO, CAREEGOA, IMPOSEDE, SEMINARS, DELEGATE

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.4E+08	7	4.8E+07	9.704	.000 <sup>a</sup>
	Residual	7.0E+08	142	4940297		
	Total	1.0E+09	149			

a. Predictors: (Constant), TEAMREWA, PERSPROB, EDUCATIO, CAREEGOA, IMPOSEDE, SEMINARS, DELEGATE

b. Dependent Variable: DEPOSIT

Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-3340.897	935.126		-3.573	.000
	PERSPROB	749.734	265.610	.214	2.823	.005
	SEMINARS	444.173	299.880	.118	1.481	.141
	EDUCATIO	1292.670	290.287	.341	4.453	.000
	CAREEGOA	357.798	316.401	.086	1.131	.260
	DELEGATE	231.313	377.944	.053	.612	.541
	IMPOSEDE	106.058	294.020	.029	.361	.719
	TEAMREWA	362.806	272.672	.104	1.331	.185

a. Dependent Variable: DEPOSIT

## Bibliography

5index of Lebanon. Lebanon: 5index,2005.

Blanchard, Kenneth, Zigarmi, Patricia, and Zigarmi, Drea. Leadership and the one minute manager: Increasing effectiveness through situational leadership. New York: Morrow, 1985.

Barling, Julian. Transformational leadership and emotional intelligence: an exploratory study. Leadership & organization Development Journal. Jan 2000: 157-161.

Bass, Bernard. Stogdill's Handbook of Leadership. New York: Macmillan Publishing, 1981.

Baz, Fraddie. Bilanbanques 2005. Lebanon: Bankdata Financial Services, 2005.

Boje, David. Transform into super leaders: Transformational Leadership. Dec. 2000.

Chalhoub, Michel. Leadership: class note, BUS876. June,2005.

Chalhoub, Michel. Exercising Leadership. December, 2003.

Easy Banking 2006. Lebanon: Inofopro Management, 2005.

Gouldner, Alvin. Studies in Leadership. New York: Russell & Russell, 1970.

Johnson, David and Johnson, Frank. Joining Together: Group Theory and Group Skills. New Jersey: Prentice-Hall, 1975.

Kapitel, Transactional and transformational leadership. Online. 10 March 2005.



[www.diss.fu-berlin.de/2005/207/05\\_kapitel.pdf](http://www.diss.fu-berlin.de/2005/207/05_kapitel.pdf)

Nanus, Burt. Visionary Leadership. New York: Jossey-Bass, 1992.

Nagel, Kurt. The 6 keys to company success. Fitzwilliam Publishing, 1991.

Northouse, Peter. Leadership: Theory and Practice. California: Sage Publications, 2004.

Popper, Micha. Transactional, Charismatic and Transformational Leadership: Conditions conducive to their Predominance. Leadership & organization Development Journal. 1994: 3-7.

Unknown 1. Our definition of Leadership. May, 2006.

URL: <http://www.teal.org.uk/Leadership/definition.htm>

Unknown 2. Leadership Quotes. June, 2006.

URL: [http://en.thinkexist.com/quotes/john\\_c.\\_maxwell/](http://en.thinkexist.com/quotes/john_c._maxwell/)