

Midocean University

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Bachelor of Project Management



The Effect of Different Leadership Styles on Performance in the Kingdom of Saudi Arabia: A Case Study on Employees of KAIHAN Company in Alkharj

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Introduction

The relationship between leadership styles and organizational performance has been a subject of extensive research over the past decades. In the context of the Kingdom of Saudi Arabia (KSA), this relationship takes on additional significance due to the ongoing economic and social reforms under the Vision 2030 initiative. This study aims to explore how different leadership styles, namely transformational, transactional, and laissez-faire, influence the performance of organizations within KSA. Performance, in this context, is measured using key indicators such as employee productivity, financial outcomes, and overall organizational growth.

Previous studies have shown different results regarding the impact of various leadership styles on organizational performance. For example, Bass and Avolio (1994) highlighted that transformational leadership is often associated with higher levels of employee satisfaction and performance. Conversely, transactional leadership, which is more focused on reward and punishment, has been found to be effective in stable environments but less so in dynamic contexts (Givens, 2008). The laissez-faire leadership style, characterized by a hands-off approach, generally yields negative performance outcomes due to lack of guidance and support (Northhouse, 2021).

Despite the fact that there are several studies conducted globally, there is a noticeable gap in studies focusing specifically on the Saudi Arabian context. The unique cultural, economic, and regulatory environment in KSA necessitates a closer examination of how leadership styles operate within this framework. Furthermore, the rapid changes brought about by Vision 2030 introduce new dynamics that traditional leadership theories may not fully capture.

This research addresses the gap by examining the effect of different leadership styles on performance in Saudi Arabian organizations. The study will employ a mixed-method approach, combining quantitative data from employee surveys with qualitative insights from previous literature regarding organizational leadership styles. By doing so, it aims

to provide a comprehensive understanding of how leadership practices impact organizational success in the Saudi context. A case study will be applied on a company in Alkharij province. The company that will be included in this study is KAIHAN Inc. This company is IT-related company that adopts sharing economy model for its operation. Its main scope is to provide rides based on orders made through mobile application by users.

The significance of this research lies in its potential to inform leadership practices in Saudi Arabia. By identifying which leadership styles are most effective in enhancing performance, the study can guide leaders in adopting strategies that align with the cultural and organizational realities of KSA. Therefore, this can contribute to the broader goals of Vision 2030, which seeks to create a more dynamic and diversified economy.

Research Problem

The central research problem of this study is to understand how different leadership styles impact organizational performance in the Kingdom of Saudi Arabia. While there is extensive literature on leadership styles and their effects on performance, the specific context of Saudi Arabia presents unique challenges and opportunities that warrant a focused investigation.

Theoretical gaps exist in the understanding of how transformational, transactional, and laissez-faire leadership styles influence performance outcomes in non-Western contexts. Much of the existing research is grounded in Western organizational settings, which may not fully capture the nuances of leadership dynamics in Saudi Arabia.

Empirical gaps are evident in the limited number of studies that have systematically examined leadership styles within Saudi organizations. This is particularly relevant given the ongoing transformations under Vision 2030, which necessitate adaptive and effective leadership to navigate the changes.

The main research question guiding this study is: *What is the effect of different leadership styles on organizational performance in the Kingdom of Saudi Arabia?* Sub-questions include: To what extent do transformational, transactional, and laissez-faire leadership styles affect employee productivity in KAIHAN Inc.? How do these leadership styles influence financial performance and overall organizational growth?

Research Significance

The significance of this research is multi-faceted. Theoretically, it contributes to the broader literature on leadership by providing insights from a non-Western context. By addressing the gaps in understanding the impact of leadership styles in Saudi Arabia, particularly in KAIHAN Inc., the study offers valuable additions to leadership theory and practice.

Empirically, the research provides data-driven evidence on the effectiveness of different leadership styles in Saudi organizations. This can inform practitioners and policymakers in developing leadership development programs and strategies that are culturally and contextually relevant.

Practically, the findings can help organizational leaders in Saudi Arabia adopt leadership styles that enhance performance and align with the goals of Vision 2030. By identifying the most effective leadership practices, the study can guide leaders in fostering a productive and dynamic organizational culture.

References

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