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## Culture and Business Operations: How the Gulf Arab Leadership Style Impacts a Contingent Human Resource Management

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### Introduction

This chapter reports the results of interviews with Gulf Arab corporate leaders that indicate a rather distinct Gulf ‘leadership style’, discusses the nature of this Gulf leadership style, and considers what implications it might have for various aspects of Human Resource Management (HRM) policies and practices. The leadership style of Gulf Arabs has not been widely studied, despite studies of Arab Leadership (Muna 1980) and Islamic Leadership (Beekun and Badawi 1999; Adair 2010). Some have examined leadership within a single Gulf Cooperation Council (GCC) country, such as Ismaily (2004) for Oman, or have included aspects of leadership as part of multi-regional comparative cultural studies such as the GLOBE study (House et al. 2002; Shi and Wang 2011) or the earlier

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work of Hofstede and Hofstede (2001) and Trompenaars and Hampden-Turner (1998). HRM in the GCC has received attention (Aycañ et al. 2007; Budhwar and Mallahi 2006), but the implications for a contingent HRM in the GCC has not been researched previously.

The role of leadership has long been recognized as playing a crucial role in HRM systems and in corporate performance (Bass 1985; Day and Lord 1988). It is, of course, possible that any relationship between a leadership style and a contingent HRM may be due to causality in either direction, or indeed both may be due to an overarching variable, such as organizational or national culture. The chapter explores these issues as follows: 'The Literature' reports on the existing literature, 'Research Methods and Scope' discusses methods, 'Interviews with 50 Senior Corporate Leaders' reports our findings of a 'Gulf Arab leadership style', our findings regarding a contingent GCC HRM system are reported in 'Implications for HRM', and Section 6 concludes.

## The Literature

While studies on the Gulf—or wider Arab—leadership style are scarce (Al Omian and Weir 2005), research on Arab culture (Allen et al. 2006), globalization, and the Arab world (Fox et al. 2006) is relevant, as are country-specific reviews such as Lacey (2009) on competing power models in the Kingdom of Saudi Arabia (KSA), Al Abed and Hellyer (2001) on tribal society and leadership in the United Arab Emirates (UAE), Fromherz (2012) on frameworks of authority in Qatar, Al Ismaili (2004) on Omani organizational culture, and Cummins (2012) on the political history of the Gulf States.

Research has tended to focus on describing the cultural and societal factors that determine particular elements of the Gulf, or most often superordinate approaches to leadership, such as 'Arab' (Muna 2003), 'Middle Eastern' (House et al. 2002), and 'Islamic' (Adair 2010). The former studies tend to utilize models of cultural difference (Trompenaars and Woolliams 2003) to suggest why, and in what ways, cultural differences impact behaviours, such as leadership and its components. The literature suggests that the major factors shaping a Gulf leadership style are as follows:

1. Ali (1990) suggests that one of the strongest influences on Arab culture, business practices, and leadership has been religion, specifically **Islam**. This influence includes a general concern for the spiritual aspects of life, where, for example, Nusair (1983) suggests adding 'spiritual fulfilment' to the Maslow (1943) hierarchy of needs. Adair (2010) stresses the role of the leader as both serving and leading, using the Prophet Mohammed's life as a role model. Some have suggested that the Quran provides guidance on leader behaviours: for example, Islam is a brotherhood where personal worth is not dictated by status and wealth (Kabasakal and Bodur 2002); Yousef (2001) found a positive relationship between the Islamic work ethic and organizational commitment, job satisfaction, and attitudes to change; and Whiteoak et al. (2006) found that the Islamic work ethic was a strongly held 'ideal' in the UAE.
2. Hofstede's early analysis, re-presented in Hofstede and Peterson (2000), and Kabasakal and Bodur's (2002) study both suggest that Arabic **culture** is relatively high on collectivism (where self-interest and work pressure is subordinate to the family/tribe and other relationships), and also high on power-distance (the degree to which the power of the most senior differs from that of subordinates). Kabasakal and Bodur (2002) note that the Arab 'cluster' is low on uncertainty avoidance, future orientation, and gender egalitarianism. Ali and Camp (1995) illustrate the main cultural differences between US and Arab cultures and the implications of these for management theory—confirming the importance of relationships over task, the desire to operate in a family structure with a strong father figure, and an avoidance of damaging conflict. Yasin and Stahl (1990) confirm that, in this affiliation-oriented culture, most managers would demonstrate a greater affiliation orientation than would effective managers in the high power/achievement cultures of the West.
3. Ali (1990) points out that structure, strategy, and organization in the Arab business are often predicated on **tribal and family factors**, rather than on pure business or market needs. Muna (1980) found that Arab executives maintain strong ties with extended families even if they are living abroad.

4. Much of the Arab world, including the GCC states, has been affected by European and Ottoman **colonial bureaucracies**: Ali (1990) suggests that this legacy includes a strict adherence to the chain of command, adherence to the scalar principle (communicating only through management layers), and centralized decision-making.
5. Over two decades ago, Ali (1990) noted that Arab attitudes to business and management were being impacted by **Western influence**, with an increasing awareness of waste and the misuse of resources, concern for the image of the organization, increased flexibility and pragmatism, a greater cognizance of the systems approach, and a tolerance for ambiguity and the demands of multiple roles. But Westernization is sometimes seen as corrupting, materialistic, weakening family values, and destroying the moral and social basis of society (Ayubi 1988).
6. Role models are used to embody the '**Arab identity**': for example, Khadra (1985) stresses the role of the prophetic/visionary leader, and Hawi (1982) provides a model of the Islamic leader with specific traits.
7. Jreisat (1990) found that a major distinction between the motivations of Arab and US managers was that the Arab managers had a very high sense of **public responsibility**, with a sense of nationhood (an extension of the tribe) being a strong source of fulfilment.
8. Muna (1980) interviewed 52 Arab executives, finding that most saw themselves as being head of a family, with their employees as family members.

## Research Methods and Scope

We aim to do two things: firstly, to identify the components of the Gulf leadership style, as espoused by Gulf Arab leaders in positions of corporate authority. While this is not evidence of actual practice, it is a useful indicator of leadership beliefs. Secondly, we aim to consider the implications of this leadership style for HRM policies and practices.

We focus on GCC Arab nationals in both the public and the private sector. We encouraged the leaders themselves to express what they felt to

be the components of their leadership style. We first captured a sample of these voices, then modelled the principal components being described, and finally tested for the consistency of description to identify a definable Gulf Arab leadership style.

When exploring dimensions that cannot be predicted or represented by closed multiple choice, ranking, or similar questions, then open-ended questions are recommended (Ballou 2008). The disadvantages of open-ended design include the effort required to extract useful valid data, potential bias from coders, and lower practical sample sizes. The choice, in this case, was whether to adopt a previously defined model of leadership characteristics in order to deploy a pre-defined instrument (for example, the GLOBE study as reported by House et al. 2002) or to allow the interviewees to express their views and experiences in an unstructured way (for example, Al Ismaily's (2004) study of Omani organizational culture). The advantage of the former is that it allows comparative analysis between stylistic clusters and is simple to analyze and therefore allows large samples. The advantage of the latter is that the analysis requires no pre-judgment of the answers and the data will be richer and more representative of the leaders' own beliefs.

Given that we sought to identify the components of the Gulf Arab leadership style from the interviewees' espoused views, rather than applying a pre-determined model, it was decided to invest the time and effort required for conducting semi-structured interviews, and thus to limit the number of responding interviewees to 50. We also sought to mitigate potential bias or inaccuracy by using two independent coders and inter-coder reliability testing to highlight potential weaknesses in the coding method, such as unclear categories or individual bias.

After experimenting with recording devices and written notes, it was decided to use written notes, as the recording method proved constraining for the interviewees. A test coding of one set of notes with a transcript of the same conversation found no material differences in the content noted. It was also decided, for consistency, to use one interviewer (one of the authors) to carry out the interviews and to use two different researchers to code the responses. We conducted semi-structured interviews with 50 senior Arab national leaders across the GCC, representing a mix of ages, countries, gender, and industrial sectors (see demographic below).

The interviews were conducted in 2011–2012. Each interview was scheduled to last up to one hour and included the following questions:

1. As you look ahead to the next 12–18 months, what do you see as being the five most critical opportunities or challenges for the GCC?
2. How would you describe the leadership style that you want for your organization?
3. Is there a distinctive Gulf Arab leadership style (0–5 where 0 = no, none)?
4. How would you describe the components of a distinct ‘Gulf Arab leadership style’?
5. How would you describe the main determinants of a distinct ‘Gulf Arab leadership style’?

The analysis in this paper utilizes the responses to Questions 3, 4, and 5. For Question 3, the scores between 0 and 5 were averaged and a standard deviation calculated. The scores were correlated with the demographic data (taking into account sample sizes) to explore, for example, whether female leaders’ opinions varied from those of male leaders. For Question 4, to avoid pre-conceived categorization, the two coders were not provided with a coding framework of possible components but each independently derived a coding framework from their analysis of the responses. Two researchers (an Arab student and a UK consultant) independently coded each response. They then determined if a single definition could be assigned to each of their components. For the most frequently cited components there was a clear correspondence. Question 5 was analyzed using the same methodology.

## Interviews with 50 Senior Corporate Leaders

Of the respondents, 84% were male and 22% were aged under 30, with 46% aged between 30 and 50, and 32% over 50. The respondents were nationals of various GCC countries and from a range of industrial sectors (see Figs 3.1 and 3.2).

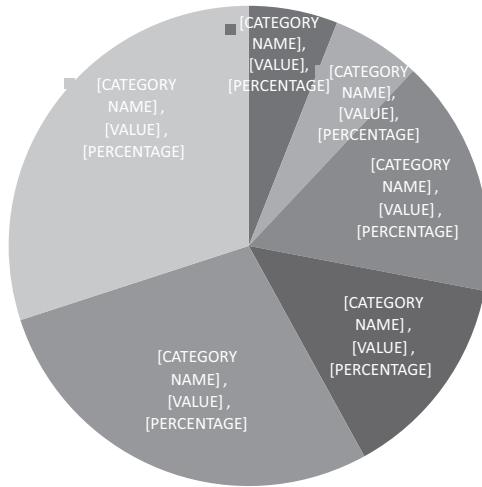


Fig. 3.1 Pie chart representing the nationality respondents

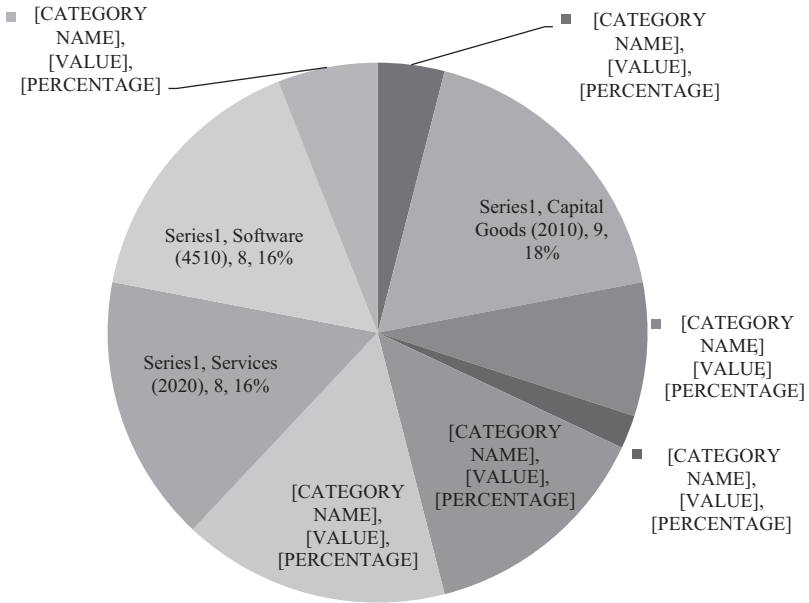


Fig. 3.2 Pie chart representing the range of industrial sectors of respondents

**Table 3.1** Groups MOST likely to think there was a distinctive Gulf leadership style

Financial sector	5.00
Automobile sector	4.75
UAE	4.23
500–1000 employees	4.20
Kuwait	4.17
Aged over 50	4.15
Females	3.88

**Table 3.2** Groups LEAST likely to think there was a distinctive Gulf leadership style

Software sector	2.64
Aged under 30	2.82
Oman	2.88
Less than 500 employees	3.08
Males	3.71

The mean score for the question ‘Is there a distinctive Gulf Arab leadership style?’ was 3.74 (where 0 = no distinctive Gulf Arab leadership style and 5 = extremely distinctive). Although there are too few responses in each demographic category to conduct formal significance testing, the results do suggest some interesting differences (Tables 3.1 and 3.2):

***How would you describe the components of a distinct ‘Gulf Arab leadership style?’***

The ordered components derived from the coding of potential components of the Gulf Arab leadership style are shown in Fig. 3.3.

Inter-coder reliability for the eight most commonly cited components exceeded 90%, with the major tests of reliability (Scott’s Pi, Cohen’s Kappa, and Krippendorff’s Alpha) ranging from moderately to very strongly reliable (Tables 3.3 and 3.4).

The attributes of the Gulf Arab leadership style most espoused by the respondents fall into eight broad components. Almost all the respondents espoused ‘leading as head of the family’ as a key component, with ‘building lasting relationships’ and ‘treasuring time’ as the next equal most commonly identified, followed by ‘creating bold visions’. As with any such cultural or anthropological study, there are often more differences within any group than between groups, so the findings are summaries of



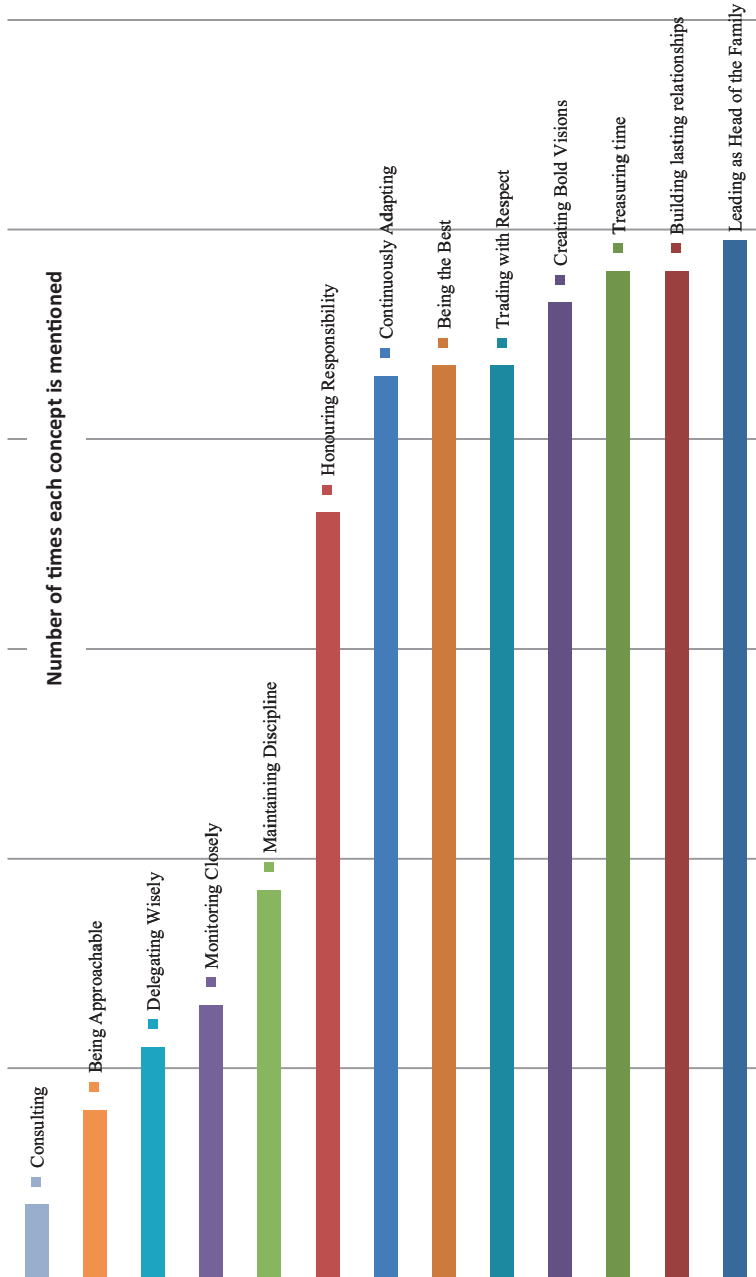


Fig. 3.3 Number of times each concept related to a distinct 'Gulf Arab leadership style' is mentioned

**Table 3.3** Inter-coder reliability test results

Components	Percent agreement (%)	Scott's Pi	Cohen's Kappa	Krippendorff's Alpha
Leading as head of the family	98	0.657	0.658	0.66
Building lasting relationships	92.20	0.292	0.292	0.299
Treasuring time	92.20	0.292	0.292	0.299
Creating bold visions	94.10	0.634	0.635	0.638
Trading with respect	90.20	0.609	0.612	0.613
Being the best	98	0.922	0.922	0.923
Continuously adapting	88.20	0.555	0.56	0.56
Honouring responsibility	90.20	0.759	0.76	0.761

**Table 3.4** Inter-coder reliability test results 2

Underlying drivers	% agreement	Scott's Pi	Cohen's Kappa	Krippendorff's Alpha
Islam	90	0.56	0.56	0.56
Traditional/Tribal culture	90	0.76	0.76	0.76
Trading history	78	0.41	0.41	0.42
Innate personality	88	0.70	0.71	0.71
Family business model	92	0.73	0.73	0.73

a modal consensus between a range of views and opinions. The results should therefore be interpreted as illustrative—but they do suggest the components of a Gulf Arab leadership style, which might inform a contingent HRM system for the GCC.

The value of the methodology is demonstrated, as the component most often mentioned, 'Leading as Head of the Family', would probably not have been provided as an available category within previously developed leadership instruments. On the other hand, it is not possible to directly compare the components of the Gulf Arab leadership style with components of any other style. Compared to an international comparative study such as GLOBE (House et al. 2002), which uses a standard multi-choice instrument, we can say that the respondents *believe* the style is distinc-

tive, but we cannot directly demonstrate that it *is*, compared to, say, a Japanese leadership style, as the constructs used to describe each style are not equivalent. On the other hand, the literature on leadership styles does suggest that the major components of the Gulf Arab leadership style identified here are different to the top characteristics of, for example, US leaders, typically characterized as assertive, performance-orientated, and highly individualistic (Sanchez-Runde et al. 2011).

The top four components are now elaborated and discussed below.

1. *Leading as Head of the Family*: This component was noted by all respondents, with nearly 98% agreement and with inter-coder reliability of 0.66. The Gulf Arab leader sees the company or their team as like their family—with familial obligations and responsibilities for the leaders and the led. Many of the respondents stated that ‘Loyalty is more important than effectiveness’. Subordinates will often quote older team members—‘we must learn from our fathers’—and tend to show respect for experience, age, and knowledge. Every employee is made to feel part of the ‘family’, with corresponding obligations and benefits. This is particularly interesting where, as in most large GCC organizations, there is a mix of expatriates, with different natural leadership or organizational styles. Some less functional aspects mentioned by respondents were that bad news is very often hidden and disagreement with or challenge to the ideas of leaders is extremely rare. Poor performance is not resolved, provided loyalty is demonstrated, and efficiency can be a very low priority.
2. *Building Relationships*: This component was noted at 92% agreement but with a more moderate inter-coder reliability of 0.3. For the Gulf Arab leader, relationships are extremely important in all aspects of life, including business, and the power of relationships sets them apart. So the leader actively seeks to build wide and influential relationships, and operates in a manner that builds trust in others.
3. *Treasuring Time*: This component was noted at 92% agreement but with a more moderate inter-coder reliability of 0.3. The Gulf Arab leader sees time as a precious resource to be utilized and enjoyed where, as one respondent put it, ‘priorities drive our time and schedule, our schedule does not drive our priorities’.

4. *Creating Bold Visions*: This component was noted at 94% agreement with reliability of  $-0.6$ . Our interviewees stressed that a Gulf Arab leader seeks out and embraces challenge—‘always taking the tough road if it is the right one’. The leader, we were told, sees the ‘impossible’ as an enjoyable goal (like a mountain to climb or a race to run) and creates and communicates a highly stretching and bold vision for the future. Understanding and ‘buy-in’ to a long-term vision is seen as being far more important for success than adherence to short-term plans or efficiency (Fig. 3.4).

*How would you describe the main determinants of a distinct Gulf Arab leadership style?*

The most cited underlying determinant is **Islam**, with a percentage agreement of 90% and inter-coder reliability of 0.56. **Traditional/tribal culture** scored 90% agreement with 0.76 inter-coder reliability. **Trading history** was mentioned by many, but with less agreement between the coders at 78%, with inter-coder reliability of 0.41. **Innate personality** scored 88%

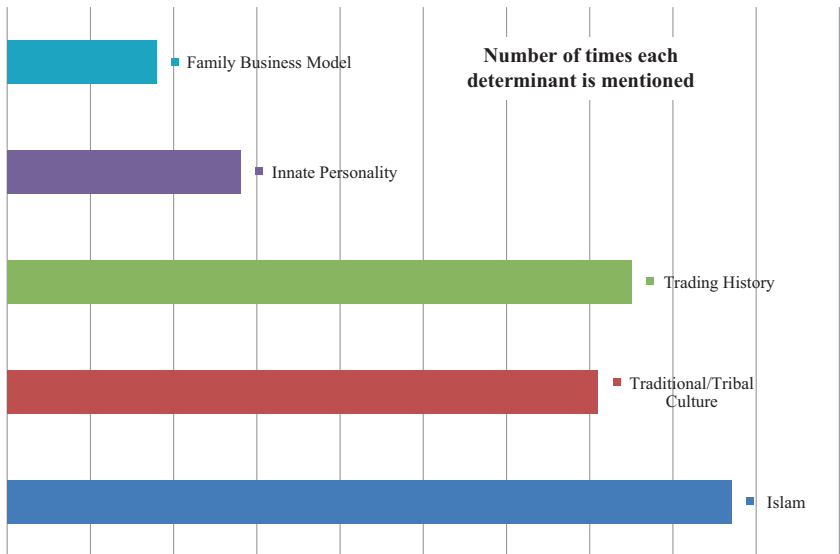


Fig. 3.4 Number of times each determinant of a distinct ‘Gulf Arab leadership style’ is mentioned

with inter-coder reliability of 0.70. **Family business model** was noted by about 12% but with inter-coder agreement of 92% and reliability of 0.73.

## Implications for HRM

Efforts are under way, for example through the Arabian Society for Human Resource Management (ASHRM), to introduce appropriate training and certification for GCC human resources (HR) professionals. We consider how the Gulf Arab leadership style might influence a GCC contingent HRM, using four areas noted by the Chartered Institute of Personnel and Development (CIPD) in their HR Profession Map (<http://www.cipd.co.uk/cipd-hr-profession/hr-profession-map/>):

1. *Resourcing and Talent Planning*: The Gulf Arab leadership style might suggest a weighting to loyalty as a recruitment criterion and, in consequence, a disposition to recruit members of the extended family or people who come with strong recommendation. It was noted in several of the interviews that leaders would apply different criteria depending on whether a role was 'part of the business group' (loyalty being uppermost) or outside the core (capability being uppermost). Much has been written on the concept of '*wasta*' (or 'use of influence') in Arab business practices and, for example, its influence in talent resourcing and development (for a review see Smith et al. 2012).
2. *Learning and Talent Development*: Respondents suggested that, in a patriarchal hierarchy, much applied learning most effectively takes place by watching and listening to 'father figures' or superiors, with more weight given to the words and actions of the most superior. As well as developing skill, this serves the purpose of reinforcing and confirming respect upwards and nurturing downwards, and preserving the leader's authority and influence over approaches to work and culture within the organization.
3. *Performance and Reward*: The preference for a person-oriented style means that the executives interviewed here value loyalty, and similarly Muna (1980) found that around 70% of Arab executives valued loyalty more highly than efficiency.

4. *Employee Relations and Engagement*: Interviewees suggested that given the obligations of the leader to look after the employees and the existence of mechanisms such as the *majlis* (a regular open forum where anyone can raise grievances or issues with the leader), there was no need for collective representation.

## Conclusion

This chapter has identified the key components of an espoused Gulf Arab leadership style and suggested ways in which this might affect the practice of HRM in the countries of the GCC. This explores a relatively neglected area. Further research might explore the reality in practice of this espoused style and its actual impact on the operation of effective HRM policies and practices in the GCC, including through large-sample studies of HR practices and their ‘universal’ or ‘GCC contingent’ nature.

Analyzing the 50 interviews we conducted suggests that there is a distinct Gulf Arab leadership style being espoused which, within its context, may be highly functional and indeed may provide a differentiating capability and source of competitive advantage. This leadership style, along with other factors such as local regulatory frameworks and religious perspective, suggests that a contingent model of HRM is appropriate for the GCC—which may utilize global best practice where appropriate, but needs also to be cognizant of the distinctive circumstances of the GCC. Certainly, the influence of the West is increased as organizations within the GCC employ and work with large numbers of expatriate staff, and also through owning and managing overseas subsidiaries in non-Arab countries. An informed, considered, and flexible application of a blend of the best management practices from other cultures, combined with the most valuable elements of the Gulf Arab leadership style, is therefore called for. This has implications for the professionalism and codification of HRM in the region, which cannot adequately be predicated on any of the current, predominantly Western, HRM standards or certifications. Here, too, a contingent approach may prove to be the more appropriate.

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