Leadership tactics used in the dhofar bank

Finance, Banks

SAOG company named bank Dhofar came a life in Sultanate of Oman in 1st January 1990 as public joint stock maintaining authorise capital Oman rials 100, 000, 000 under commercial registration No 6/29110/1. The main principally engaged in retail, investment and corporate banking activities. The head office located in Muscat in capital business district. B. O. Box. 596. The bank is listed in Muscat Security Market. Recently the bank ranked as No. 2 after bank Muscat. The bank controlled 59 branches and 805 employees. His vision is " to be a leading bank that everyone wants to work for, do business with and invest in" (source: – from internal sources as they are my employer).

The leadership in bank Dhofar came out from a good managing of human resources which is conceded the most valued assets at the bank. They use to integral and undoubtedly each other's by identifying the testament of the excellence. They key success of this organisation is their staff which they maintain effective relationship and ability to develop it to reach the target.

The bank have 5 years strategic planning, set out its goals in short, medium and long terms aiming to enhance the assets and profits, this through improvement in the way of operations, branches net work, technology and introduce new products.

In the past bank Dhofar has adopt conventional leadership theories but since 2005 bank Dhofar adopted new leadership style which is learning theory because of new CEO has appointed. Burns, (2007) came with if Organization want to adopt learning theory the organization leadership style structure should be flexible which is can change from period to another. This

technique descript organization structure step by step for every job had, it's encourage employees incentive, gives training courses, decision making and be self censorship. This model use to work on basis of people philological thinking of production cycle. As the concept of learning Organization theory and knowledge management is selecting by modern organization to apply organization development process to reach to harmony and consistency between organization and its objectives also between individuals need and objectives to achieve the mission interaction between the tasks and individuals through regulation of activities and tasks.

Literature Review of Leadership

Leadership brought a volume on its concept and researches of leadership believe that the difference can be made by understanding of leadership (Boss. B, 1990). Much literate defined leadership in much way, if we took Lohman, (1992) as example he defined it as " a formulation of a vision, lead to acclimate of trust with within the organization, and empowering others". Where other was defined it as process made by individuals to affect group of people to reach goals or common out comes (Northouse, 1997). Huezyski, Buchana and Audrzej, (2007) come with a definition which means influencing to reach the main goal. Also it known as proper direction, motivation morale and commitment of individual. Cole, (2004) defined effective leadership as leading vision strategy. Rost, (1991) took 587 work analyzed them, those that have leadership address and come with 366 of them were not defining of leadership. The analysis gives Rost that most of literature of leadership focused on behaviours, traits and leader ability.

From strategic position of competence for a good organization at every stage should have leaders (lercel & Field, 1998). Nowadays making profits in global market rely on quality and quick thinking. By appointing leaders in any organization it will improve speed and quality, this come through smart decision with good implementation at all organization levels. According to Klenke, (1993) leadership is field " riddled with paradoxes, inconsistencies and contradiction". Described by Aolio, (1999) leadership as systematic relationship said " no leader leads without followers". Avolio believes that if we want to measure the effectiveness of leadership the focus on leader does should be less while be more with followers do. He defined leadership by three categories transactional, non transactional (laissez-faire) and transformational leadership.

In accordance with modern management the effective leadership has developed the concept by literature Cole, (2004). Logically leadership lead to develop personality morale, enable people to operate freely, it gives the peoples opportunities and abilities to participate and demonstrate, (Daft, 1999). Cole (2004) refer to power as on influence that effect the group and guidance where authority more dependence on organization. " leadership is effective" Sperry, (2002), leadership and affectivity were linked as well as management if there are clear vision, mission, values, goals sitting and principles the affectivity will achieved on other hand planning, controlling, follow up, time management and organizing were elements of achieving efficiency.

2. 1 Leadership and Management

Leadership and management are different. Since history starts the leadership were their while management start after that by long time. However leadership is part from management. Kotter, (1990) gives leadership definition as producing movement and change, determine vision, team building, communicate people and motivate them. According to Huczyski, Buchana and Andrzej, (2007) management is involving in planning, controlling, organising, gives orders and supervising. Manager concerned about vision (Kotter, 1990). To distinguish between them Burke and Litwin, (1992) defined the role of leadership as providing directions and roles. On other hand management was increasing on daily routine by mangers to manage human and resources as strategic issue of any organization to achieve goals. According to Huczyski, Buchana and Andrzej (2007) both leadership and management were defining and sharing the goals as well as atmosphere to reach to that goal and insure it completed as requested. Kanter, (1997) said that any manager should comfortable with in change in today's organization to provide directions.

A good example, the top management level of any organization if they want to compete worldwide must think strategically to drive the organization to meet the challenges, this to drive the organization to meet the challenges through continuously restricted to meet customer need.

2. 2 Leadership Theories

Leadership theories were difference such as Transformation leadership, Team leadership, Behavioural, Situational, Contingency, Path-Goal, and

Transactional theory. Transformational leadership as a word were delivered by Downton (1973), while transforming leadership is an acknowledged to make major changes in organization in the Wright way in order to compete. Porter, (1985) clearly defined transformational leadership as organizational change to be more competitive in market place. Elenkov, willan and Judge, (2005) were mentioned that transformation leadership is identified by clear vision and concern of how leader transferred their leadership to their followers to have from them a good benefit for all because of their action and expecting from them to gives their suggestions and overview to solve the problems. Leaders plan for their employees to move confidence to encourage them to peak up good experience to bring out new vision (Koopman, Hartog and Hoogh , 2005).

Team leadership theory developed by Larson and Lafasto, (1989). Team leadership is " a group of individuals working to gather to achieve a specific goals". (Cole, 1999). Team work leadership responsible in sharing those individuals' responsibilities to achieve some objectives, lifting any conflicts and spirit the action within cooperation. Some difference should be take advantages in term of skills and ideas if we took construction as a good example where different employees should work together as a group to build the project (Daft, 1999).

Behavioural theory state that the goals which may select by organization efficiently can be achieve by a leader using effective behaviours, those can came through experience. Considering how strong of relationship between subordinates and how can be enhanced by understanding the needs.

Situational theory focused the how leader face his circumstances, there is no specific style thus, leader should use the fitting style at that situation where he/she should knew many styles to select the suitable one. Contingency theory look like the Situational in term of leader should will non number styles to fulfil his circumstances. Fiedler, (1971) mentioned that if a leader want to be successful he/she should focus on task, he add that the same style is not fit for all situation. Robbins, (2003) believes that leader should change as the situation. Path-Goal theory is a theory developed by Evans in 1970 it is identified that leader responsible in motivating his subordinate. The organization leader should work with his team to classify and determine what is the correct process to reach the organization goals. The work should clearly identified and reword also. Transactional leadership is referring to subordinates who are motivated by establishing incentives, working within the rolls. Commonly we see this type of leadership in large bureaucratic organisations.

Because of leadership the administration work has being change. All of this changes is because of desired objectives has successfully achieved as effective director while availability of material resources and humans resources will be optimise Daft, (1999). He also adds that if the objectives successfully achieve this because of leadership change that employee aware about principles and combating and changes.

2. 3 Summarise the Analysis

The philosophy of leadership is complex unless we understood it perfectly while research on this issue has the same trend because of psychology

behaviours of human beings. Neglected by others theories that employees can enhance their knowledge by learning to develop their personality to become successful leaders. Base on above review I found that leaders were not alone to achieve their success they should have subordinates working within specific structure and influence by them.

Many financial organization like bank Dhofar has affected with economic crisis because of world change. These financial organization who were reported successful misunderstood the value of leadership and how could by cooperated with development and change. In fact completion lead to develop many process related to develop the business and which direction should be followed by using latest technology.

Future leader is not develop through self- development, either programs carried out, it is about activating leader and organization participation to gather to develop strategy to achieve development. Therefore CEO responsible to develop himself as well as his employees. CEO responsible to transfer the organization vision and mission into reality by support decision making to innovate same thing to the market search as the technology. Davies and Knoz, (2001) suggest that those high technology organization should active the innovation.

The most important component element of any successful organization like bank dhofar is human resources. In order to gain knowledge and skills management should prepare training programs. While it need to use modern technology or fix the current one. This is because of development and completion that market bringing between organizations.

As sort of staff motivation employer should lunch number of incentive sachems to increase sales and production such as paying bonuses if bank achieve the target or staff medication.

Organization should adopt creative strategy and design its system based on employee's performance skills and incentive with flexible structure to support the development process.

3. 0 Effective Leadership Model

MaCauley et al, (1998) has came with definition for developing managerial leadership which as the capacity of every persons expansion till to be effective as processes and rolls in leadership. According to Lynhan, (2000) developing of managerial leadership connect with every person's job and their life time. Effective leadership is fundamental of this concept a application and performance management methods for group of work or individual to provide requested performance to follow up and evaluate the achievement. Elenkov, William and Jude, (2005) describe innovation leader as it is not conflicting to develop his subordinates effective innovation leader of innovation and efficiency, this can make him leader and can use this power and responsibilities. Innovation leader is a leader who how can lead group of leaders as coach observe the match and gives direction. As result we can say that coaching is one kind of modern effective leadership. Gootuick. m and Gootnik. d, (2002) point out to the idea that increase employee's morale as well as productivity, this idea came out from following practise:

Treat your subordinate at work as partner to benefit you at work.

In different position leader should committed with flexible style in order to make change.

Leader should interact with employees.

Sperry, (2002) mentioned that because of efficiency and effectiveness leader lead through the following:

Set to identify common values, approaches and working target.

Set to satisfy customer need and wish.

Enable your human resources to develop and preformed will, using that energies in innovation and creativity.

Knowing the role of any organization in serving communities approach employee efficiency.

Literature of effective leadership came with other components. Huczyski and Buchara, (2007) refer communication as one element which means the process that gather groups of individuals to each other with their subordinates using cross communication to share their information which bullied human relation used to achieve essential organization objectives. Cole, (2004) came out with issuing order as other competence as it is not that easy to gives order as commander which many authority over to employees.

Playing a part in organization decision making this is what Huzyski and Buchana, (2007) try to develop which means give your employees a chance

to participate and contribute to serve them and the organization. Adopting ISO 9000 according to Terlaak, King and Lonox as indicator of Excellency and as quality management system will achieve the organization adjectives, profitability, maintain safety and managing controls. This system can be explained as the same when Malki, (1997) reported that Dow Jones index some time falls to 30n points this means that overage of shares prices has 30 point of faller. What this index try to indicate is the general market situation and can be use to Know shares performance and measure it.

To surmise the above, it is recognize that the successful effectiveness of organization process can be measured by working life quality impact, which known by individuals them self's.

Gopak. K and Patricia. M, (2002), came with good example effective leadership model, be identifying the element of the success factors for organization. This model named leadership equation.

Organizational Values: The value that encourage organization employees to be a part of their organization. Both employee and organization appreciate that value.

Vision and Mission: identified the vision put it clear, will Known by employees will develop the employees to achieve organization mission.

Strategy: Vision and mission must be in line with organization strategy.

Organization structure: to achieve organization mission and vision which is the key success factor, it should be will structured.

Goal Setting Theory

After all of that review I found that Goal Setting Theory will be more useful for my organization if it adopted. This theory was adopted by Edwin Locke, Boone & Kurtz, (1999) argue that " to motivate people, set specific goals for them they will strive to achieve them". According to this theory those staff with assigning goals will perform in the good way than those without that goals. Establishing performance objective will clarifying the roll of the staff according the this theory (McShane & Von Glinow, 2003). Setting a goal should be in moderate way not that too hard or too easy. According to Buchaman & Huczynski, (2004) Goal setting theory maintain four main propositions:

Challenging Goals: this lead the performance to reach higher stage than the simple one without unchallenging goals.

Specific Goals: more specifying goals lead to more of motivating performance. Setting specific goals will reflects higher level of performance thus, do your best or try harder than this is a vague goals and will not enhance the performance.

Sharing in setting the goals: this if it happen that means the commitment to those goals will increasing and will improve the performance.

Knowing of results: taking feedback from pervious performance is necessary tend to achieves the goals.

Her in Oman some of organizations adopted this theory in process of formulation named as MBO (Management by objectives). The two highly

competitors in banking sector ranked first bank Muscat and 3nd bank Dhofar has implement this concept. Before any new year started heads of department and branch managers in my organization " bank Dhofar" assigned smart goals for each staff to know how he/she will perform. I usually before new year start I set with my staff individually to discuss the new requested goals. Personally I use to set these challenging goals bases on feedback that I get it from privies appraisal. But before I set it I use to set with employee if he/she agree or not, nothing by force and give my support toward to achieve it. As I leader to my branch my role is to motivate and encourage my staff for achievement. The overall appraisal grad of each individual employee based on calculating percentage of goals that he achieving. Maybe those things excused bank Dhofar to implement it.

In my opinion the goal setting theory is an incomplete of motivation explanation due to it's dismiss the dynamic of motivation and its effects. In the same hand it also ignore others motivation techniques' like incentives which is built-in goals characteristics. According to Boone & Kurtz, (1999) everyone will affected by assuming that goals thus, it will ignore the individual differences. Furthermore, most of staff prefers easy goals than difficult ones. The other thing McShane & Von Glinow, (2003) state that we cannot apply this theory in every job dimension.

5. 0 Leadership in Bank Dhofar

Kotter, (1996) clarified that the behaviour of human being consider leadership most important than anything else except very few thing. As I mention before in reviewing the leadership of unsuccessful organisation can

be transform to successful one because of effective leadership. Leadership in bank Dhofer was found since start his operation activity that was in 1991 which was contributing critically as a factor of the bank success through the time going of high management. In the same time it has a major impact affected over all bank performance over the time. In this section I will go through how bank Dhofar utilised effective leadership followed by his leadership style approach to achieve his mission.

Leadership in bank Dhofar came from two main phases. The first one start from earlier of begging till the date of merger with Majan bank (a commercial bank ranked in 6 position of the topes bank in Oman) that was in 1995. During that period bank use different styles and approaches of leadership, overall it was a dramatic change. The change came out and took place after merger which was the second phases. both two phases has its own success and failures affected by leadership style.

5. 1 Leadership in First Phase

Since bank Dhofar established till 2005, six different CEO, s have been hired to lead bank Dhofar, none of them had background of effective leadership and management in term of motivating staff, team building and others incentives schemes. Most of them has a common factor which they were having very strong relationship with the board of directors with very small administration experience. Many departments head were in their chairs for more than 14 years without job rotation.

If we want to describe that period, we can say it was bureaucratic one evidence by this example, if I need to see one of those departments head we

should knock three doors thus, it take more Knocking if the thing relate to the higher one. The hierarchy system was build on five management level, this approach refer to classical organisation structures. This task operated through heavy work routine, rules and formulations. This is what Davis, (1977) was appointed when he said about the culture organisation role which is more concentrate on reasons and consistency. The higher management used the bureaucratic style like any other organization used this type of style through issuing memos and letters to communicate with lower staff level as the main channels.

The decision on autocratic style of earliest bank Dhofar top management has taken other trend, where some lower staff level has came with new idea or suggestion to be develop the final decision left to the top management only thus, if one of this top management left the work on annual leave the work will impact badly till this person resume to his duty again.

Motivation in bank Dhofar seem to be different at that time were staff expected to received reword at the end of year as bonuses, annual increment or promotions but this not happened unless you have a strong support from one of higher management. Where civil service low allow promotion after four years services. Furthermore, other type of motivation were seem to be nothing like recognizing letters or send staff on training. Therefore, instated of motivating the staff by those incentives they de-motivate them by using X theory of McGregor which concert the style of the treat and punishment to motivate their staff to reach to their goals.

In 2004 the staff turnover reduce to 20% overall which was the lost rate since bank start. In the same time they start searching for new job opportunity. Two reasons came's to gather to reduce overall moral to the minimum thus, working attendance has same trend.

Finally, for all of those reason the bank start analysing those issues and found that those problems referred to messing of effective leadership in the bank. Where that time an opportunity came out with Majan bank to reach with a deal for merge.

5. 2 Leadership in The 2nd Phase

After that merge between those two banks anew giant has been born. This has brought a lot of changes one of them the old mister has left, the 2nd thing the higher management also rearranged to fulfil the new generation of bank Dhofar. This dramatic change has brought a PHD holder appointed as CEO to lead new bank Dhofar. The first thing that he did, he change the department heads by new well educate staff.

The new young CEO has master in business administration (MBA) working in different department in his dismiss bank and other commercial one for 14 years. This reflects how he selects the new qualification and most experiences department heads.

Because of this transformation stage, the new bank Dhofar management set a new strategy aiming first, to rebuild the internal stricture that relate to add more value to the organisation and recover employees trust. This strategy

came with number of recommendations to improve staff productivity as well as leadership skills for management. Those were:

Share your vision with your staff.

Respect them.

Build trust.

Develop their potential.

Motivate them.

Listen and take feedback from them.

Training them.

Due to that recommendation the bank staff well understood the bank vision and start taking about it, this had enhance the staff awareness and motivate them to committed to the bank vision which lead forward to achieve it, at the same hand management organise a monthly meeting focus on how could staff achieve their setting goals, is it achievable or not and what is the Wright mechanism for achieving. Those heading finally gathered in one mechanism called high quality performance appraisal and management set a specific department for that. This will discussed in details next paragraph. What a good thing that new management trying to achieve was to set a new scheme for innovation and creativity financially reworded to encourage the staff to discover their talent in innovation in order to improve the bank product and also fulfils their needs from the reword. What her I won't to

mention the financial reword has the major impact on staff need. As I said that staff prefer the money as a most motivator but few of them prefer other like letter of thanks.

A new flat system has been fixed to replace the old hierarchical system of structure. This consists the following diagram:

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…………………………………..
From now no need for knocking too many doors to see one of management because this management opted open door seating style, in case of someone go in leave the other should delegation authority. HR roll has been change by adding new department like:

High quality performance department: this system is a reviewing process use to highly encouraging staff in annual development plan, assess them individually based on their capability. Regularly employee set with his manager twice a year at the first year and after six months to review his goals. This step helps all staff as well as the organisation to know the area of weakness and improvement to set the needful training.

Tanning department: one of employees setting goals that to be annually achieve is to addend at least two tanning courses.

So far the new management leadership framework has helped the employees by respect them with equity, this respect lead to improve their entail. Thus, if we refer to incentivise we can see that all staff gain annual allowance and bonuses this depends on the achievement of their personal

goals. On the same trend management set a new incentive scheme attracting those staff how brought additional business to the bank in term of deposits or loan facilities aiming from that to reword the active staff and also to encourage the others to do the same.

In term of communication the new management also work hard to improve it through an open day meeting usually set at the end of year gathering all staff and their families to enhance their loyalties by sharing their ideas of success. Other thing, recently management decided to gives all staff a personal email use to communicate with other staff and management to speed up the work and also found window for commendation to get feedback.

CEO personally gives his mobile number to those who need it in emergency, broken all doors lookers of exiting bureaucratic style.

Staffs recognises that in many cases a team from HR came to discuss all issues that may reflect the staff performance without his or her manager knowing and has the manager treat them irrespectively.

As I branch manager I usually set with may staff once a month to discuss the all issues and I lesion to their feedback may by they having something new.

Finally, what I want to say that the effective leadership style has help may organisation to improve the working atmosphere that lead to improve efficiency, quality and productivity also save us from jobless. Front line employees gives their feedback to their manager and their manager respect

that which indicate the affectivity of leader ship. This all has driven the staff turnover to reach 15% in 2006.

6. 0 May Development Plan

6. 1 Finding

Basie on above analysis I find myself able and willing to work having that self confidence since I work as branch manager and controlling number of employees. Through this review I have gain other experiences add to the privies one which I have studied in Executive Development Plan (EDP) on second semester which wealth my experience such as communication skills and negotiation skills which the most important skills as a banker.

Going in this leadership theories approach me to have one goal which is to be a successful leader and manager to drive my branch to success. This will not achieve unless there is a clear vision which is: be active, efficient, highly motivated, respect staff, encourage them to work and a word them to improve work performance to achieve the goals.

6. 2 Self Assessment

To achieve the above goals, first I should assess myself. According to Burn, (2007) the role of learning organization theory leader base on system thinking. To achieve this vision of thinking I have identified sex primary question to develop my leadership plan.

Skill

Description

Evaluation (1 â€" 5)

Communication

To build and maintain relationship

5

Results Driven

Understand and achieve bank Dhofar main goals on time

4

Influencing, Motivating and leading

Supporting my employees by motivating and persuading them to achieve bank objectives.

3

Personal Accountability

Set my own plan, prepare agendas in good manner and be an ethical.

4

Transferring knowledge

Share my experience of knowledge and ideas with my employees to achieve the objectives.

4

Problem solving

Have capability to solve the problems.

5

6. 3 Action Plan

As I said before I would like to be successful branch manager to manage my branch including staff this will be more effective if there is an action plan. To achieve that I need to build some skills specially those who I have marked less in the questioner lest by my colleges and employees. This will enhance my leadership and management.

Action

Area

Method

Priority

Influencing, Motivating and leading

Workplace

Practice at work

H

Management

Academic

In role in special courses and work- shops

H

6. 4 Improving My Leadership Skills

If I achieve my vision, it required me to improve that I mark less in

Motivating and leading employees. This will achieve by following action that

influence those behavioural skills.

Idealized Behaviour

Open discussions to issue related to work.

Become contributor in any issue relate to work

Maintain professional standards

Decision Making

I will try to analyses the issue and input before I decided.

No conclusions.

Learn from my mistakes.

Equity in dealing with colleaues

Respect my colleagues.

No shouting.

Apologies if you hurt one of them.

Offer you assistant.

Contribute them in open dissection.

Motivation

Interact with future of bank.

Focus on big picture.

Clarify the bank vision

Explain the long term objective to employees.

Solve any new challenges.

Recognise subordinate effort.

Listen to their feedback

Decision Making

Ensure all of your employees understand the problem.

Communicate with them to have good decision.