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# Leadership Styles and Personal Demographic Profile: An Empirical Study on Private Business Organizations in Egypt

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**Abstract**

Transformational and transactional leadership, which focus on the relationship between leaders and employees, are the most recent development of leadership theories. Yet studies on the impact of demographic profile of a leader on transformational and transactional leadership styles are limited. Specifically, this contribution addresses two issues (1) the evaluative attitudes of the business leader towards transformational and transactional leadership styles (2) the relationship between leadership styles and personal demographics of the leader. The evidence collected from 85 of business leaders who are members and ex-members of the Egyptian Businessmen's Association (EBA) and the Egyptian Junior Business Association (EJB) in Egypt. This research is correlational, according to its purpose, and descriptive according to its data collection method. The finding reveals that, the transformational leadership style was perceived as the most often adopted style, followed by the transactional leadership style. The demographic profile of business leaders was found to have no influence on the leadership styles of the respondents. This suggests that, leaders' demographic profiles are not differentiating factors in determining transformational and transactional leadership styles. Egyptian business leaders may exhibit varying degrees of both transformational and transactional leadership according to the suitability of a situation. The styles are not mutually exclusive, and some combination of both may enhance effective leadership and performance. Furthermore, business leaders must keep on exploring opportunities and finding conditions that will facilitate the success of achieving the ultimate objectives of their organizations.

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## 1. Introduction

There are many ways to lead, and every leader has his or her own style. Some of the more common styles include transformational and transactional leadership styles. Effective leaders engage in both professional leadership behaviors and personal leadership behaviors. Professional leadership behaviors refer to setting a mission, creating a process for achieving goals, aligning processes and procedures, etc., and these activities can be translated as referring to the organizational business practices. The personal leadership behaviors, however, often refer to the leadership styles since they involve building trust, caring for people, acting morally, etc. The author in [1] argued that leadership style represents an important factor in the determination of the success or failure of organizations. A business short on capital can borrow money, and one with a poor location can move. But a business short on leadership has little chance for survival [2].

In most leadership research, leadership is understood as an inherently moral endeavor because it involves a relationship of influence and power between a leader and the followers. A leader's personality plays an important role in leadership activities and effectiveness. A leader would lead people in accordance with his or her personality characteristics and traits. Several studies [3,4,5] have established that individual characteristics such as demographics, personality traits, skills and abilities could predict leadership. The authors in [6] show that understanding the importance of these core personality traits that could predict leadership style can help organizations with the selection, training, and development practices of their leaders. Yet, the transformational leaders who have vision, passion, resilience and perseverance is lacking. Business managers and leaders need to understand and to be aware of their leadership style and adjust that style in order to be able to demonstrate a passion for their purpose, practice their values consistently, and lead with their hearts as well as their heads.

## 2. Problem Statement

The Egyptian private business leaders are in need to be aware of their leadership styles and capabilities, especially those in high ranking positions, and establish their achievements. The awareness of one's leadership style will lead a business leader to a better way of understanding his inner capacity, values, attitudes and even deficiencies. Self-awareness is being conscious of what you're good at while acknowledging what you still have yet to learn, thus being in a better position to deal with different situations. In order to achieve this goal, there is a need for a measurement tool for private business organizations to assess and understand the leadership styles of their current leaders and higher management, as well as potential recruits.

Currently, there is a lack of existing knowledge in private business organizations in Egypt about an applicable approach that takes into consideration the relationship between the individual leader's personal demographic aspects and the leader's ability of providing direction, implementing plans, and motivating people which is expressed in his adopted style of leading. There are many different leadership styles that can be exhibited by leaders in business context.

This study was conducted to investigate the relationship of leadership styles (transformational and transactional) and personal demographic variables of current and previous members of the Egyptian Businessmen's Association (EBA) and the Egyptian Junior Business Association (EJB). Specifically, the study answered the following questions:

1. What is the personal demographic profile in terms of age, tenure, and highest level of education attained of the business leader respondents in this study?

2. What is the prevalent leadership style (transformational or transactional) of the business leaders who participated in this study?

3. How significant is the relationship between the leadership styles (2 overall + 3 transactional sub-scales+ 5 transformational sub-scales) and the demographic profile in terms of age, tenure, and highest level of education attained of Egyptian business leaders?

## 3. Research Hypothesis

To answer problem statements number 3 the researcher has formulated the following hypothesis:

H1. There is a significant relationship between leadership styles (2 overall + 3 transactional sub-scales+ 5 transformational sub-scales) and the demographic profile in terms of age, tenure, and highest level of education attained of Egyptian business leaders in private sector business organizations.

## 4. Literature Review

This section gives the reader an overview of different contributions in literature which includes (1) the definition and concept of leadership style, (2) transformational leadership style, (3) transactional leadership style, (4) Transformational and transactional leadership styles in the Arab world, and finally, (5) Personal demographic factors in terms of age, tenure, and highest level of education attained.

### *4.1 Leadership Style Definition and Concept.*

As for the meaning of leadership, there are various opinions among different researchers. The author in [7] finds that many of the definitions are ambiguous. The author in [8] reports that the meaning of leadership may depend on the kind of institution in which it is found. In this dissertation, we only focus on leadership in businesses or organizations.

According to [8], leadership has been conceived as the focus of group processes, as a matter of personality, as a matter of including compliance, as the exercise of influence, as particular behaviors, as a form of persuasion, as a power relation, as an instrument to achieve goals, as an effect of interaction, as a differentiated role, as initiation of structure, and as many combinations of these definitions [8].

However, most theories and research on leadership study how a person gains understanding of the values,

beliefs, and attitudes of people from different cultures and define leadership as typified in the traits, qualities, and behaviors of the leader. Some argue that leadership is a process; it is not a position or a characteristic, but a transactional event that occurs between leaders and followers [9]. The author in [10] stated that leadership is the process of influencing others to understand and agree about what needs to be done and how to do it and the process of facilitating individual and collective efforts to accomplish shared objectives.

There is not sufficient space to fully enumerate the many and contested conceptualizations of leadership. It is sufficient here to distinguish two important aspects of leadership. The first is that of providing direction, organizational vision, and making related decisions about resource allocation and distribution. Leaders achieve this in a variety of ways. Some use transformational or transactional means, while others utilize democratic or laissez-faire approaches [11,12].

By understanding the concept of leadership style we can better understand how individuals behave in a certain way in different given situations; the appropriate style adopted by the leader can theoretically mediate the effectiveness of the specific leadership approach by influencing the followers' perception of the quality of the relationship with the leader.

### 4.2 Transformational Leadership Style

Transformational leadership involves the ability to inspire and motivate followers. This approach posits that activating internal motivators influences a person. A process-based view of leadership involves the ability to motivate followers to act, recognizing that the ability to successfully influence others is the essence of leadership [13]. The successful, effective leader has the ability to have his or her vision accepted as well as to motivate followers to work toward a common end [14]. Effective leadership is enhanced when leaders can inspire their followers to accept change by communicating a compelling vision of the future and motivating willingness to work in the new manner.

Transformational leadership style sub-scales can be categorized as following:

 **1. Inspirational motivation:** Leaders motivate and inspire those around them by providing meaning and challenge to their followers' work and create a clear vision to attain the target and reach up to the future level by increasing the efficiency at workplace

**2. Individual Consideration:** Leader treat each subordinated according to his/her particular requirements and capabilities. The leader gives the personal attention to each individual to build the healthy relationship by providing the new learning opportunities according to their interest and skills.

**3. Intellectual stimulation:** Leaders stimulate followers' efforts to be innovative and creative by reframing and approaching new situations to followers. The main aim of the leader to provide the free flow of ideas and imagination so that the subordinates and followers try to come up with new approaches and techniques.

**4. Idealized influence -behavior:** This component refers to the charismatic actions of the leader that focuses on

values, beliefs and a sense of mission [15].

**5. Idealized influence –attributed:** It refers to whether or not the leader is seen as charismatic, powerful and confident and if the followers would like to be associated with him / her. It is the attribution followers give to their leaders.

### 4.3 Transactional Leadership Style

Transactional leadership can be defined as a social exchange process where the leader clarifies what the followers need to do as part of their transaction (successfully complete the task) to receive a reward or avoidance of punishment (satisfaction of the follower's needs) that is contingent on the fulfillment of the transaction (satisfying the leader's needs) [16]. This definition of transactional leadership corresponded to the framework component of task orientation, as this can be seen to be influenced by the degree of task orientation to which the leader is prone. In fact, task orientation has been observed to be a defining characteristic of leaders that used entirely or primarily transactional methods [17]. As such, this portion of the conceptual framework was supported by research.

Transactional leadership style sub-scales can be categorized as following:

**1. Contingent rewards:** The mutual rewards concern between Leader and subordinates in the exchange of attainment of target by optimum performance on the basis of specific benchmarks.

**2. Active management- by- expectation:** The leader actively participates for the correcting the followers mistakes and try to find out the reasons of variation between prescribed benchmarks and actual work performance by the subordinate.

**3. Passive- management-by- expectation:** The leader does not actively participate for correction; he/she wait and take the corrective action after occurrence of mistake.

### 4.4 Transformational and Transactional Leadership in Arab World

A considerable number of research studies in Arab and Islamic countries have recognized the importance of transformational and transactional leadership styles due to their contribution to better organizational outcomes, performance, and effectiveness especially in the context of increased globalization as well as the moral dimension inherent in the transformational leadership style which is similar to the Islamic approach to leadership [18]. A study was conducted by the Egyptian researcher in [19], the main purpose of the study was to develop a theoretical framework explaining the roles of transformational leadership in planned organizational change in the Egyptian culture. The aim was then to develop a series of propositions pertaining to the roles of transformational leadership in achieving successful organizational change in organizations operating in the Egyptian culture. The findings of this study conclude that transformational leadership behavior components (dimensions) transfer from U.S. to the Egyptian culture, but their specific behavioral contents do not. This is due to the fact that the Egyptian culture is different and has its own private dimensions. Furthermore, for leader

communication to be effective as well as being perceived by followers positively, it should entail the use of a combination of formal and informal methods. Furthermore, the author in [20] decided to test the theory of transformational and transactional leadership styles in Egypt, an emerging market that had yet to be studied. In a questionnaire study of employees at 10 different banks, responses indicated that only three of the seven factors that were found in the ideal leadership style in Egypt corresponded with the US factors. The other four were unique to Egypt or the Middle East in general. These results indicate an inability to assume the transactional and transformational leadership styles will succeed in non-western cultures. The authors in [21] similarly found that these leadership styles may not be as universal as it is believed.

Consistent with the above, the author in reference [22], conducted a study on employees from Saudi Arabia. The authors in [23] used data from employees working in the banking sector in Pakistan, and the authors in [24] applied their study on employees of a large petroleum company in Libya. Their results confirmed that transformational leadership is positively related to both job satisfaction and organizational commitment. Additionally, the findings of the authors in reference [25] as well as the authors in [26] were based on data from Pakistan and supported a strong positive impact of transformational leadership on the overall performance.

Most of the above researchers agreed that the transformational leadership style is best suited to the cross cultural context with respect to the personality factors. It can be noticed that the past literature of transformational and transactional leadership styles in Egypt and the Arab world implied that the transformational leadership style could be useful as the universal leadership style because it is flexible enough to adjust to different cultures. However, it also shows that the country's social-cultural factors affect the behavior and preferences of the followers. These studies also shed light on leadership behaviors influenced by the personality factors of the leader which could lead to a missing link between the individual's AQ and the pursued leadership style whether it is transformational or transactional.

### 4.5 Demographic Profile

Demography theory as per the author in [27] suggests that attributes such as age, tenure, occupation, gender, and level of experience are compositional characteristics that influence interpersonal and group dynamics. Support for this theory comes from studies that find that the personal characteristics of leaders exerted an influence on the outcomes and successes of an organization [28,29,30].

Although a great deal of research has concerned the relationship between leadership and gender, few researchers have explored the relationship between leadership and age and fewer still the relationship between leadership styles and demographic variables. However, the author in reference [31] concluded that leadership styles of department chairs are affected by demographic factors, while leadership style adaptability levels of deans and department chairs are not very affected by demographic factors. There was insufficient evidence to show that a significant difference exists in style adaptability levels among deans and department chairs as they perceive themselves.

### 5. Research Variables

*Independent Variable:* For the present study, personal demographic profile (in terms of age, tenure, and highest level of education attained) are the independent variables.

*Dependent Variable:* In this study the leadership styles of the leaders (in terms of overall and sub-scales of transformational and transactional styles) are the dependent variables

### 6. Research Methodology

This section describes the general methods of research, research design of the study, the research sample and demographic description of participants, data collection instruments, the research process and the statistical treatment of the data.

### *6.1 Research Design*

The main purpose of this research is to explore the relationship between leadership styles in terms of transformational and transactional (overall and sub-scales scores) and business leaders' demographic profile in terms of age, tenure and highest level of education attained in the context of Egyptian private sector organizations in Egypt. The researcher used the descriptive-correlational type of research in this study. The descriptive method was used in determining the demographic profile of the business leaders and managers in terms age, tenure, and level of education attained, and their prevalent leadership style. The correlational method was used in determining the significance of relationship between leadership styles and personal demographic profile.

### *6.2 Research Sample and Demographic Description of Participants*

The present paper is interested in investigating AQP and personal demographic characteristics at EBA and EJB in Egypt. This is why the population studied involves all categories of business i.e. manufacturing, service, and not-for-profit organizations. The distribution of the research population is presented in below Table 1.

**Table 1:** Distribution of the sample size of selected members of EBA and EJB

| Association | Population | Sample size | % |
|---|---|---|---|
| Current member of EBA | 73 | 19 | 22% |
| Previous member of EBA | 55 | 17 | 20% |
| Current member of EJB | 94 | 37 | 43% |
| Previous member of EJB | 49 | 12 | 15% |
| Total | 271 | 85 | 100% |

As a result a total of 271 business leader respondents opened the link to participate in this study, but not all of them completed the survey. From those who opened the link (271), only 85 respondents completed the survey successfully, which represents 31.3 percent from the final targeted sample. From the current members of EBA, amounted to about 22%, previous members of EBA amounted to about 20%, EJB current members 43%, and EJB previous members about 15%.

### 6.3 Data Collection Method

The present study has adopted the questionnaire method for collecting primary data necessary for the study. The questionnaire list is interested in recognizing leadership styles and personal demographic profile factors at Egyptian business organizations. The data of the questionnaire have been collected by contacting employees through a special electronic link that was provided to business leader members in both the EBA and the EJB. The questionnaire list involved two types of questions. The first type is related to recognizing demographic information of the participants, and the second type detects leadership styles. Data collection took two months. Replies were 31.3 %, 85 lists out of the 271 distributed which can be considered as moderate level of participation. This is due to the severe political and economic turmoil that Egypt experiencing and also because of the non-supportive culture of academic researchers in Egypt.

### 6.4 Instrumentation

The researcher utilized two instruments to obtain data for the current study. To gather information from current and previous members of EBA and EJB concerning their personal demographic profile, the demographic data sheet was designed by the researcher, and Bass and Avolio's (1995) MLQ 5x (Self-rating version) was used to determine the leadership styles of the business leaders and managers in terms of transformational and transactional

### 6.5 Research Process and Statistical Treatment of the Data

The researcher sought the permission of the secretary general of both EBA and EJB to administer the demographic data checklist, and MLQ 5x-short to the members of the institutions. After approval of the request, the researcher personally administered and retrieved the questionnaires from the target respondents. For the electronic questionnaire, the research provided respondents with a special link to access the survey. The gathered data were classified, encoded and summarized. Then, the researcher analyzed and interpreted the findings of the study following the sequence of the problems enumerated earlier in this study with the help of a statistician.

The following statistical tools and techniques were used to ensure the valid and systematic presentation, analysis and interpretation of data: Frequency and percentage, arithmetic mean, and to test for the significance of the relationship between leadership styles and personal demographic factors, the researcher utilized the Chi Square test.

**7. The findings**

This section presents, analyzes, and interprets the data gathered from the survey questionnaire which focused on the relationship between the leadership styles and personal demographic profile of business leaders in private sector business organizations who are previous and current members of EBA and EJB in Egypt. The findings of the study are organized into three parts. The first part describes the personal demographic profile of the respondents in this study. The second part illustrates the calculation of the pursued leadership styles of the business leader respondents as measured by the MLQ 5x- short. The third part establishes whether the leadership styles overall scores and sub-scales of the business leader respondents are significantly related to their personal demographic profile in terms of age, tenure and highest level of education attained.

*1. What is the personal demographic profile of the respondents in this study in terms of age, tenure, and highest level of education attained?*

A data set of 85 observations was used in the analysis. A Likert scale was used in the questionnaires of the current research. In management studies, it is very common to treat a Likert scale as an interval scale rather than an ordinal one to be able to conduct different statistical analysis from managers to CEOs or presidents of their companies.

Table 2 below displays the demographic description of this group. For these business leaders, out of the total number of respondents, 34 (40%) are from the manufacturing sector and 42 (49.4%) from the service sector; the remaining nine (10.6%) are from the other sectors (for example non-for profit organizations). This ensures an encouraging distribution of the data around the main business sectors in Egypt. Exactly 42 (49.4%) are on the top managerial level (CEO/president), 19 (22.4%) are on the level of division director, and 24 (28.2%) are on the level of department manager. Age groups were split as follows: 34 (40%) belong to the 25-39 age group, 47 (55.3%) are 40-55, and only four respondents (4.7%) are above 55.  Concerning gender, out of the total number of respondents, 69 (81.2%) are male business leaders and 16 (18.8%) are female. For the tenure or length of service in the organization, only 22 (25.9%) have between three and five years of experience, 27 (31.8%) have six to 10 years of experience, and 36 (42.4%) have more than 10 years' experience. Education levels were split evenly between BA degree 35 (41.2%), and MBA degree 35 (41.2%), while 15 (17.6%) have a doctoral degree. The total sample (85) respondents is relatively a small sample, however, it was considered representative for both organizations.

Table 2 shows that, most of the respondents in this study are business leaders and decision makers with higher ranking positions as CEO, president, vice president, and division director. Thus, being a business leader and decision-maker tends to fall on the higher-ranking positions in Egyptian business organizations. Furthermore, the findings indicate that, most business leader respondents are in the middle age, when most individuals have settled in their careers. This was found to be consistent with the findings of [32], on leadership styles and behavior, compared with older workers, the researcher found that younger workers feel more comfortable in fast changing environments and more willing to take risks and consider new approaches. They also operate with more energy and intensity, and have a greater capacity to generate enthusiasm in others. In matters concerning

gender in Egyptian business organizations, there is a domain of males (81%) for high level positions. This indicates that, in the Egyptian business culture including Egyptians' values, beliefs, and way of thinking, higher ranking positions as managers and leaders are dominated by males. Two third of the respondents (63%) tend to fall in the range of six years of experience and above. This implies that, to be assigned as a business leader in Egyptian business organizations you must have gained at least six years of practice and above. This is supported by the study of authors in [33], who concluded that, in the area of managerial effectiveness, managers must have a mutual understanding of the skills and responsibilities necessary for other managers across similar and different organizational levels and functions. This can be gained by practicing different skills over time. Finally, more than half (59%) of the respondents have higher education levels ranging between master degree and doctoral degree. This implies that, a higher educational level is essential for business managers in Egyptian private business organizations in order to be assigned in higher-ranking positions. The result further indicates that, it is strongly believed among Egyptian business leaders that a higher level of education will result in better performance in their jobs.

**Table 2:** Demographics of the respondents in the study (N= 85)

| Description | N | % |
|---|---|---|
| Type Of Business | | |
| Manufacturing | 34 | 40 |
| Service | 42 | 49.4 |
| Other | 9 | 10.6 |
| Position/Title | | |
| CEO/President | 42 | 49.4 |
| Division Director | 19 | 22.4 |
| Department Manager | 24 | 28.2 |
| Age Group | | |
| 25-39 | 34 | 40 |
| 40-55 | 47 | 55.3 |
| 56-70 and above | 4 | 4.7 |
| Gender | | |
| Male | 69 | 81.2 |
| Female | 16 | 18.8 |
| Tenure/Length of Service | | |
| 3-5 | 22 | 25.9 |
| 6-10 | 37 | 31.8 |
| More than 10 | 36 | 42.4 |
| Highest Education Attained | | |
| BA  Degree | 35 | 41.2 |
| MBA Degree | 35 | 41.2 |
| Doctoral Degree | 15 | 17.6 |
| Total | 85 | 100% |

### *2. What is the prevalent leadership style in terms of transformational and transactional of the business leader respondents in this study?*

The tool used in this research to measure the transformational and transactional leadership styles is the MLQ. The MLQ, a well-validated instrument, assesses the archetype of positive forms of leadership. The MLQ is not designed to encourage the labeling of a leader as transformational or transactional and precise score groupings cannot be found in it. It identifies ratings on a relative basis. The MLQ scales are independent: A person could be equally high in all of them. It is more appropriate to identify a leader or group of leaders as more transformational than transactional or vice versa. The researcher computed the mean scores of each overall and subscale in the MLQ, then ranked all subscales measured from higher to lowest. Higher means of subscales implies that the individual practices or tends to use a leadership style more than the other.

Table 3 displays the calculation of the mean scores for transformational and transactional leadership styles overall and sub-scales, the mean score of the overall transformational leadership styles scales among the 85 respondents was 15.51 while the overall transactional leadership scales averaged only 6.073. A discussion for the findings of table 4 is presented in the following text.

**Table 3:** Leadership styles overall and sub-scales mean scores (N = 85)

| Leadership Styles | Mean Score | Standard Mean Score |
|---|---|---|
| Overall Transformational Leadership Style | 15.51 | 20 |
| Overall Transactional Leadership Style | 6.073 | 12 |
| | | |
| Transformational Leadership Style Sub-scales | | |
| Intellectual Stimulation | 3.24 | 4 |
| Inspirational motivation | 3.35 | 4 |
| Idealized influence -behavior | 3.11 | 4 |
| Idealized influence -attributed | 2.70 | 4 |
| Individualized consideration | 3.11 | 4 |
| | | |
| Transactional Leadership Style | 3.273 | 4 |
| Contingent Reward | 2.20 | 4 |
| Management by exception -active | 0.60 | 4 |
| Management by exception -passive | | |

The mean scores of overall Transformational leadership style was 15.51 compared to the standard mean of 20. The mean scores of transformational leadership style sub-scales were distributed as follows; of inspirational motivation as subscale for transformational leadership style was highest, 3.35. The remaining dimensions of transformational leadership style had the following mean scores; intellectual stimulation 3.24, idealized influence (Behavior) 3.11, individualized consideration 3.10. The lowest mean scores were idealized influence (attributed) at 2.7. This implies

that, Egyptian business leaders perceive transformational leadership style as the best style to deal with the current challenges and adversity events. As transformational leadership is akin to charismatic or visionary leadership, a higher mean score of transformational leadership style as perceived by Egyptian business leaders inspire and motivate followers in ways that go beyond exchanges and rewards. Their leadership style operates especially well in close supervisory relationships, compared with more distant relationships and closer supervision is often more typical in private business settings. This close relationship may be typical of a supervisor-supervisee relationship, who are thought to be important because of their functional proximity to supervisees in an organizational context. Egyptian business leaders are thought to increase the follower's intrinsic motivation through the expression of the value and importance of the leader's goals especially in difficult times.

The mean scores for overall Transactional leadership style was 6.073 compared to the standard mean of 12, contingent reward scored highest at 3.273, management by exception (active) at 2.2, and lowest is management by exception (passive) at only 0.6. This implies that Egyptian business leaders tend to use degree of transactional leadership style based more on "exchanges" between the leader and follower, in which followers are rewarded for meeting specific goals or performance criteria. Rewards and positive reinforcement are provided or mediated by the leader. An effective transactional leader is able to recognize and reward followers' accomplishments in a timely way. However, leaders in crisis situations maintain the status quo; actively monitor the work of their subordinates, watch for deviations from rules and standards and taking corrective action to prevent mistakes. To a lesser extent, intervene only when standards are not met or when the performance is not as per the expectations. They may even use punishment as a response to unacceptable performance.

Therefore, the data has good indication that the respondents in this study tend to use the transformational leadership style more than the transactional leadership style in order to cope with adversities and workplace challenges. The results further imply that, Egyptian business leaders may exhibit varying degrees of both transformational and transactional leadership. The styles are not mutually exclusive, and some combination of both may enhance effective leadership and performance.

### 3. How significant is the relationship between the leadership styles (2 overall + 3 transactional sub-scales+ 5 transformational sub-scales) and the demographic profile in terms of age, tenure, and highest level of education attained of Egyptian business leaders?

*The overall transformational and transactional leadership styles to demographic profile:*

Table 4 shows the test of the relationship between the overall scores of transformational and transactional leadership styles and demographic profile of the respondents.

In H1.1, the Chi value for the significant relationship between overall transformational leadership style score and age is 1.50 with a probability value of 0.329 which is greater than the level of significance at 0.05. Therefore, the null hypothesis that there is no significant relationship between overall transformational leadership style and age is accepted. It means that overall transformational leadership style and age of the respondents are not significantly related. The result denotes that, the perception of a given business leader to pursue transformational leadership

style is not affected by leader's age.

**Table 4:** The relationship of overall leadership styles and demographic profile

| H1 | Relationship | Chi-Square | P-value | Decision |
|---|---|---|---|---|
| H1.1 | Transformational Leadership style And Age | 1.50 | 0.329 | Fail to reject H.: No relationship at α=0.05 |
| H1.2 | Transformational Leadership style and Tenure | 1.26 | 0.497 | Fail to reject H.: No relationship at α=0.05 |
| H1.3 | Transformational Leadership style Highest Education Attained | 1.47 | 0.410 | Fail to reject H-: No relationship at α=0.05 |
| H1.4 | Transactional leadership style And Age | 1.30 | 0.434 | Fail to reject H.: No relationship at α=0.05 |
| H1.5 | Transactional leadership and Tenure | 1.39 | 0.427 | Fail to reject H.: No relationship at α=0.05 |
| H1.6 | Transactional leadership and Highest Education Attained | 2.27 | 0.417 | Fail to reject H.: No relationship at α=0.05 |

In H1.2, the computed chi-square for the significant relationship between overall transformational leadership style and tenure is 1.26 with a probability of 0.497 which is greater than the level of significance at 0.05. Therefore, the null hypothesis that there is no significant relationship between overall transformational leadership style and tenure of the respondents is accepted. Regardless of the tenure or length of service that a given business leader may spend in an organization, a business leader may tend to use transformational leadership style if perceived as better style.

In H1.3, the computed chi-square for the significant relationship between overall transformational leadership style and highest education attained is 1.47 with a probability of 0.410 which is greater than the level of significance at 0.05. Therefore, the null hypothesis that there is no significant relationship between overall transformational leadership style and highest education attained of the respondents is accepted.

In H1.4, it could be seen in Table 4.5 that the Chi value for the significant relationship between overall transactional leadership style and age is 1.30 with a probability value of 0.434 which is greater than the level of significance at 0.05. Therefore, the null hypothesis that there is no significant relationship between overall transactional leadership style and age is accepted. It means that transactional leadership style and demographic profile of the respondents are not significantly related. The perception of a given business leader to pursue transactional leadership style is not affected by his age.

In H1.5, the computed chi-square for the significant relationship between overall transactional leadership style and tenure is 1.39 with a probability of 0.427 which is greater than the level of significance at 0.05. Therefore, the null

hypothesis that there is no significant relationship between overall transactional leadership style and tenure of the respondents is accepted. Regardless of the tenure or length of service that a given business leader may spend in an organization, a business leader may tend to use transactional leadership style when perceived as better style for motivating employees and encourage them to achieve organizational objectives.

In H1.6, the computed chi-square for the significant relationship between overall transactional leadership style and highest education attained is 2.27 with a probability of 0.417 which is greater than the level of significance at 0.05. Therefore, the null hypothesis that there is no significant relationship between overall transactional leadership style and highest education attained of the respondents is accepted. The result implies that, Egyptian business leaders tend to use a degree of transactional leadership style regardless of their attained level of education.

To summarize the above, the study finds no significant relationship exists between the respondents' overall scores of transactional and transformational leadership styles and personal demographic profile in terms of age, tenure, and highest level of education attained.

***The sub-scales of transformational leadership styles to demographic profile.***

Table 5 below shows the test of the relationship between the sub-scales of transformational leadership styles and demographic profile of the respondents.

**Table 5:** The relationship of transformational leadership style sub-scales and personal demographic profile

| H1 | Relationship | Chi-Square | P-value | Decision |
|---|---|---|---|---|
| H1.7 | Intellectual Stimulation and age | 68.686 | 0.712 | Fail to reject $H_o$: No relationship at $\alpha=0.05$ |
| H1.8 | Idealized Influence (behavior) and age | 74.924 | 0.750 | Fail to reject $H_o$: No relationship at $\alpha=0.05$ |
| H1.9 | Idealized Influence (attributed) and age | 107.917 | 0.191 | Fail to reject $H$-: No relationship at $\alpha=0.05$ |
| H1.10 | Individualized Consideration and age | 88.605 | 0.581 | Fail to reject $H$-: No relationship at $\alpha=0.05$ |
| H1.11 | Inspirational Motivation and age | 93.348 | 0.150 | Fail to reject $H$-: No relationship at $\alpha=0.05$ |
| H1.12 | Intellectual Stimulation and tenure | 65.979 | 0.787 | Fail to reject $H$-: No relationship at $\alpha=0.05$ |
| H1.13 | Idealized Influence (behavior) and tenure | 86.792 | 0.396 | Fail to reject $H$-: No relationship at $\alpha=0.05$ |
| H1.14 | Idealized Influence (attributed) and tenure | 94.468 | 0.525 | Fail to reject $H$-: No relationship at $\alpha=0.05$ |

| H1.15 | Individualized Consideration and tenure | 103.995 | 0.185 | Fail to reject H.: No relationship at α=0.05 |
|---|---|---|---|---|
| H1.16 | Inspirational Motivation and tenure | 68.518 | 0.392 | Fail to reject H-: No relationship at α=0.05 |
| H1.17 | Intellectual Stimulation and Highest Educational Attained | 67.568 | 0.744 | Fail to reject H.: No relationship at α=0.05 |
| H1.18 | Idealized Influence (behavior) Highest Educational Attained | 94.586 | 0.202 | Fail to reject H-: No relationship at α=0.05 |
| H1.19 | Idealized Influence (Attributed) Highest Education Attained | 111.000 | 0.140 | Fail to reject H.: No relationship at α=0.05 |
| H1.20 | Individualized Consideration and Highest Education Attained | 102.754 | 0.208 | Fail to reject H-: No relationship at α=0.05 |
| H1.21 | Inspirational Motivation and Highest Education Attained | 70.282 | 0.336 | Fail to reject H-: No relationship at α=0.05 |

***The sub-scales of transactional leadership styles to demographic profile.***

Table 6 below shows the test of the relationship between the sub-scales of transactional leadership styles and demographic profile of the respondents.

**Table 6:** The relationship of transactional leadership style sub-scales and personal demographic profile

| H1 | Relationship | Chi-Square | P-value | Decision |
|---|---|---|---|---|
| H1.22 | Contingent reward and age | 73.906 | 0.859 | Fail to reject H.: No relationship at α=0.05 |
| H1.23 | MBE passive and age | 66.095 | 0.674 | Fail to reject H.: No relationship at α=0.05 |
| H1.24 | MBE active and age | 130.576 | 0.519 | Fail to reject H.: No relationship at α=0.05 |
| H1.25 | Contingent reward and tenure | 89.030 | 0.449 | Fail to reject H.: No relationship at α=0.05 |
| H1.26 | MBE passive and tenure | 73.881 | 0.416 | Fail to reject H.: No relationship at α=0.05 |
| H1.27 | MBE active and tenure | 132.564 | 0.470 | Fail to reject H.: No relationship at α=0.05 |
| H1.28 | Contingent reward and Highest Education Attained | 85.253 | 0.563 | Fail to reject H.: No relationship at α=0.05 |
| H1.29 | MBE passive and Highest Education Attained | 71.035 | 0.510 | Fail to reject H.: No relationship at α=0.05 |
| H1.30 | MBE active and Highest Education Attained | 132.386 | 0.474 | Fail to reject H.: No relationship at α=0.05 |

As previously mentioned in this study, the sub-scales of the transformational leadership style are the 5 I's: Intellectual stimulation, individual consideration, inspirational motivation, idealized influence (behavior) and idealized influence (attributed), while the transactional leadership style sub-scales are: Contingent reward, management by exception (active) and management by exception (passive).

As shown in the above tables 5 and 6, the computed chi-squares for the significant relationship in all hypotheses, (H1.7 to H1.30, where computed and chi-square probability values are, 0.712, 0.750, 0.191, 0.581, 0.150, 0.787, 0.396, 0.525, 0.185,0.392 , 0.744, 0.202, 0.140, 0.208, 0.336, 0.859, 0.674, 0.519, 0.449, 0.416, 0.470, 0.563, 0.510, and 0.474, respectively) were all found greater than the level of significance, 0.05. Therefore, the researcher accepts the null hypotheses that there is no significant relationship between any of the transformational and transactional leadership styles' sub-scales variables and personal demographic profile variables of Egyptian business leaders' members of EBA and EJB when tested. These results infer that, the sub-scales of the perceived leadership styles of Egyptian business leaders in private business organizations, whether it is transformational or transactional, are not affected by the leader's demographic profile in terms of age, tenure, and highest level of education attained.

To summarize the above, the study finds no significant relationship exists between the respondents' leadership styles (transformational and transactional leadership styles sub-scales) and personal demographic profile in terms of age, tenure, and highest level of education attained.

### 7. Summary of findings, conclusions, recommendations, and Limitations of the study

This section combines the highlights of the summary of significant findings, conclusions, recommendations, and the limitations presented by the researcher.

### 7.1 Summary of findings

The following are the significant findings of the study:

1. On the demographic profile of the respondents in terms of age:

Out of 85 business leader respondents, age groups were split as follows: 34 (40%) belong to the 25-39 age group, 47 (55.3%) are 40-55, and only four respondents (4.7%) are above 55 years old.

2. On the demographic profile of the respondents in terms of tenure (length of service as manager):

For the tenure or length of service as a manager in the organization, only 22 (25.9%) have between three and five years of experience, 27 (31.8%) have six to ten years of experience, and 36 (42.4%) have more than 10 years' experience. This means that two thirds of the respondents (63%) tend to fall in the range of six years of experience and above practicing managerial skills.

3. On the demographic profile of the respondents in terms of highest level of education attained:

Of the 85 business leader respondents, education levels were split evenly between BA degree 35 (41.2%), and MBA degree 35 (41.2%), while 15 (17.6%) have a doctoral degree. This finding indicates that, more than half (59%) of the respondents have higher education levels ranging between master degrees and doctoral degrees. This implies that a high educational level is essential for business managers in Egyptian private business organizations in order to be assigned higher-ranking positions.

4. On the respondent rating in terms of leadership styles:

The computed mean scores of overall transformational leadership style was 15.51 compared to the standard mean of 20, while the mean score of overall transactional leadership scales averaged only 6.07. This indicates that the data has a good indication that the respondents in this study tend to use more transformational leadership style than transactional leadership styles in order to cope with adversities and workplace challenges. The finding further implies that, Egyptian business leaders may exhibit varying degrees of both transformational and transactional leadership. The styles are not mutually exclusive, and some combination of both may enhance effective leadership and performance.

5. On the significant relationship between overall leadership styles (transformational and transactional) and the personal demographic profile of the respondents:

The study finds no significant relationship exists between the respondents' overall scores of transformational and transactional leadership styles and the personal demographic profile in terms of age, tenure, and highest level of education attained.

6. On the significant relationship between sub-scales of leadership styles (transformational and transactional) and personal demographic profile of the respondents:

The study finds no significant relationships exists between any of the respondents' leadership styles sub-scales (transformational and transactional) and the personal demographic profile in terms of age, tenure, and highest level of education attained.

### 7.2 Conclusions

The significant findings of the study provided a basis for the following conclusions:

1. The business leader respondents are mostly male who occupy higher ranking positions, middle aged between mid-thirties and fifty years of age. They have pursued post graduate studies, and most of them have around seven years of experience in managerial positions.

2. The respondents in this study tend to use more the transformational leadership style rather than the transactional leadership style in order to cope with adversities and workplace challenges. Egyptian business leaders may exhibit varying degrees of both transformational and transactional leadership. The styles are not mutually exclusive, and some combination of both styles may enhance effective leadership and performance.

3. Age, tenure, and highest level of education attained are not significant factors in differentiating the leadership styles (transformational or transactional) overall and the sub-scales of the business leader respondents.

### 7.3 Recommendations

In light of the study's significant findings and conclusions the following recommendations are offered:

1. Business managers and leaders should learn how to be aware of their own leadership style. They should take into consideration their personal attributes as well as their own understanding of leadership to determine the most effective leadership style that fits with their personality characteristics, values, beliefs, and skills.

2. Since the respondents in this study tend to practice the transformational type of leadership more than the transactional style, they should learn that both leadership styles are needed for guiding an organization to success. Transactional leaders handle all the details that come together to build a strong reputation in the marketplace, while keeping employees productive on the frontline. Transactional leaders provide distinct advantages through their abilities to address small operational details quickly. Transformational and transactional leadership styles are not mutually exclusive and both of them can be effective in business organizations depending on the situation. Business leaders must keep on exploring opportunities and finding conditions that will facilitate the success of achieving the ultimate objectives of their organizations.

3 The development and validation of the MLQ questionnaire in future research should be based on the specific characteristics of the Egyptian culture in a manner that could be easily understood and used within the frame of the Egyptian traditions and culture.

4. Since the study used the MLQ 5X short version which is only a self-rating measure, it is recommended that the present study be reviewed, criticized, and even replicated using 360 degree rating tests that include peer rating, follower rating, more varied samples, variables, and other survey and measurement techniques to provide an opportunity for comparison of results.

5. The results of this study may be shared with business organizations in the public sector for possible follow-up studies.

### 7.4 Limitations of the study

1. The study was conducted to determine the relationship between leadership styles and demographic profile of Egyptian business leaders in EBA and EJB. Although their head offices are in Cairo, their members originate from all Egyptian governorates. All members belong to private sector organizations covering all sectors of different businesses in Egypt. This represented the first limitation of this study as the generalization of the research result to other countries and to the business public sector may be difficult because of the research scope only focuses on private sector business organizations in Egypt due to the political and economic adversities in Egypt which called for such study.

2. Consistent with the objectives of this research, the researcher measured leadership styles using the MLQ 5X self-rating form. It was extremely difficult to use peer ratings or follower ratings questionnaires given the current political and economic situation in Egypt at the time of writing this study (2014). A culture of lack of support to academic research in Egypt was also a contributing factor. Most of Egyptian factories and business organizations are experiencing frequent demonstrations and strikes which create a somewhat chaotic environment.

3. Finally, the third limitation is that, the present study confined the researcher to measure transformational and transactional leadership styles with respect to certain demographic aspects. Activities in various co-curricular activities also help in determining the most adopted leadership style of business leaders such as leader's performance, intention to quit and effectiveness. However the researcher did not include these variables due to the fact that, it would not have been possible to collect such information within the current political turbulent that Egypt is currently going through. Therefore, the researcher acknowledges that given the topic selection, the researcher is looking for relationships to support the hypothesis of the study.

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