



**OPEN UNIVERSITY
MALAYSIA**

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Course Code : BMDM5203

Course Name : Organizational and Business Management

Program : Master of Project Management

Semester : One

Assignment : Organizational leadership and leadership styles

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Deadline : 05/08/2023

Submission Date: 05/08/2023

Acknowledgement

I would like to express my sincere gratitude to all those who have contributed to this project. Firstly, I would like to thank my supervisor Dr. Ahmed Hassan, for providing guidance and support throughout the course. Secondly, I would also like to acknowledge the **International Bank of Somalia (IBS)** and its staff members for their cooperation and participation in the study. Without their support and willingness to share their experiences and opinions, this study would not have been possible. Finally, I would like to thank my family and friends for their encouragement and support throughout the study. Their feedback and suggestions have been instrumental in shaping the study's direction and ensuring its success.

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1.0 Company Background



IBS Bank is a prominent commercial and investment bank headquartered in Mogadishu, which is the capital city of Somalia. The bank was established in July 2013 and operates under a license granted by the Central Bank of Somalia. All of IBS Bank's products and services are fully compliant with Shari'ah principles. The bank provides a comprehensive range of banking services, including retail, private, corporate, and investment banking services. IBS Bank adheres to international standards in all its product offerings to bring Somalia's banking system in line with global banking practices. IBS Bank is one of the largest and most well-established banks in Somalia and has a strong presence in the country's financial sector. The bank has a network of branches across Somalia, including in major cities such as Mogadishu, Hargeisa, and Bosaso. *(About Us – IBS Bank, n.d.)*

As a Shari'ah-compliant bank, IBS Bank follows the principles of Islamic finance in all its operations. This means that the bank does not engage in interest-based transactions but rather focuses on profit-sharing and risk-sharing arrangements with its clients.

IBS Bank offers a wide range of banking services to its clients, including savings and current accounts, trade finance, letters of credit, foreign exchange services, and investment products. The bank also provides corporate finance and advisory services, as well as private banking services to high-net-worth clients. *(About Us – IBS Bank, n.d.)*

In addition to its domestic operations, IBS Bank has a growing presence in the global financial markets and offers a range of international banking services to its clients. These include correspondent banking services, international money transfers, and trade finance facilities.

IBS Bank is committed to upholding the highest standards of corporate governance and has a strong focus on compliance and risk management. The bank has implemented a number of measures to ensure the safety and security of its clients' assets, including advanced security systems and rigorous anti-money laundering and counter-terrorism financing policies. (*About Us – IBS Bank*, n.d.)

IBS Bank has a strict Know-Your-Customer (KYC) policy that adheres to international standards. The bank conducts regular reviews and updates of customer information to ensure compliance with regulatory requirements. Every customer undergoes a rigorous identity verification process through a due diligence process to prevent identity theft and fraud. The bank has implemented international standard rules and guidelines to prevent money laundering and terrorist financing. IBS Bank's compliance measures are overseen by a dedicated compliance team that is responsible for ensuring that the bank's operations are in compliance with regulatory requirements and best practices. The team also provides training and guidance to employees on compliance matters and conducts regular internal audits to assess the effectiveness of the bank's compliance program. (*About Us – IBS Bank*, n.d.)

1.1 Vision

IBS's vision is to be a leading, innovative, and regional Islamic financial institution adhering to the highest sharia principles and international banking standards; leading in the positive transformation of people's lives in East Africa.

1.2 Mission

IBS's mission is to positively perform people's lives by providing quality sharia-compliant financial services through innovative, efficient and reputable practice.

1.3 Goal

IBS Bank's goal is to be Somalia's premier global investment and commercial bank, providing a range of Shari'ah-compliant banking services that meet the needs of its clients.

1.4 Core value

IBS Bank is committed to empowering its customers through a set of core values that include teamwork, transparency, humility, customer focus, and excellence. The bank believes in working collaboratively with its customers to achieve success together while maintaining transparency and earning their trust. IBS Bank places a strong emphasis on customer satisfaction and focuses on providing tailored solutions to meet their unique needs. The bank is dedicated to continuous improvement and strives to deliver excellence in all its operations. The bank's brand promise is "We Empower You", which reflects its commitment to empowering its customers and helping them achieve their financial goals.

2.0 Definition of leadership

Leadership is a process where one or more individuals inspire and motivate others to achieve common goals or objectives, which can be adapted or expanded as needed. Unlike authoritarian approaches like administration, bossiness, management, or dictatorship, leadership does not coerce people into action, but rather inspires them to act. Furthermore, leadership is not constrained by pre-defined objectives or goals and can modify or introduce new ones based on the situation or needs. Lastly, leadership involves creating a meaningful connection with people beyond formal or superficial relationships, which motivates them to act. Overall, this definition highlights that leadership can be a collaborative effort that inspires and empowers others to achieve shared objectives. (Malik & Azmat, n.d.)

2.1.0 Types of leadership styles in management

Leadership is a complex concept that can be classified into different types and styles. Some of the most prevalent types of leadership include:

2.1.1 The Autocratic Style of Leadership

The classical approach to leadership involves a manager who has complete decision-making power and does not seek input from employees. This style of leadership has been criticized because it can result in higher turnover and absenteeism. Autocratic leaders rely on threats and punishment, do not trust their employees, and do not allow for employee input. Nonetheless, autocratic leadership can be effective in certain situations, such as with new employees who require detailed instructions or in high-volume production environments. However, when staff members feel uncomfortable, afraid, or resentful, when staff members demand to have their voices heard, or when staff morale is low, this leadership style should not be employed.. There are advantages to the autocratic style of leadership, such as good control and a clear program. However, there are also disadvantages, such as defiance, less development of freedom of choice, listlessness, less initiative, and suppressed group interests. Autocratic leadership can also weaken the independence of the group, suppress the ability to criticize, and promote hierarchy and rivalry among group members. Talents may not be recognized or promoted, and fear can turn into aggression and violence. (Răducan & Răducan, 2014).

2.1.2 Democratic style of leadership

The democratic or participative leadership style involves encouraging employees to participate in decision-making and problem-solving. The leader keeps employees informed about matters that affect their work and shares decision-making responsibilities. The democratic leader acts as a coach, gathering information from staff members before making a final decision. This style can result in high-quality work, high morale, and team spirit. The democratic leader develops plans to help employees evaluate their own performance, encourages them to grow on the job, and recognizes their achievements. However, the democratic leadership style may not be appropriate in all situations, such as when there is not enough time to get everyone's input, cost-effectiveness is a concern, or employee safety is a critical issue.

Advantages of the democratic leadership style include self-sufficiency, motivation, varied ideas, group members' confidence, public interest, prohibition understanding, problem understanding, opportunity for creative growth, freedom of opinion, and equal rights. However, the disadvantages of this style include being time-consuming for the leader, difficult for the leader, highly dependent on age, and having no optimal solutions.(Khan et al., 2015)

2.1.3 Laissez-Faire style of Leadership

The term "laissez-faire" is commonly used in economics and political science to refer to a policy of minimal government intervention in economic affairs. In the context of leadership literature, "laissez-faire" refers to a hands-off approach where the leader does not intervene or provide direction to their subordinates. This type of leadership is often described as the absence of leadership, as the leader avoids taking responsibility for their assigned duties. This definition of laissez-faire leadership was first described by Lewin, Lippit, and White in 1939, while Bass and Avolio also identified it as a lack of intervention and responsibility on the part of the leader.(Tosunoglu, 2016).

2.1.4 Servant Leadership Style

Servant leadership emphasizes the leader's motivation, mindset, and approach. Firstly, the leader's motivation should be directed towards others rather than themselves, indicating a highly altruistic approach. Secondly, servant leadership recognizes the individual needs, limitations, and goals of followers and seeks to encourage their personal growth and development. Thirdly, servant leaders take into account the needs of the broader community when making decisions, going beyond their own organization. This leadership style highlights the importance of a servant leader's focus on the development and well-being of their employees and associates, shared power in decision-making, and a genuine care for the community. This allows for further study of servant leadership, both in terms of the characteristics that define a servant leader and the servant leadership theory itself. In contrast to traditional leadership, which is often associated with the accumulation of experience and exercise of power by the leader, servant leadership involves shared power, aligning the needs of others with common values, fostering growth, and creating a strong commitment to achieving common organizational goals.(Hai & Van, 2021)

2.1.5 Transactional Leadership

Transactional leaders rely on the use of rewards and punishments to motivate their followers and gain compliance. They tend to accept the goals, structure, and culture of existing organizations and work within those systems to achieve the organization's goals. They may not be inclined to think outside the box or seek new solutions to problems. This style of leadership is generally passive and involves maintaining the status quo while setting criteria for rewarding followers. As a result, transactional leaders may not be change-oriented and may be less likely to seek innovative solutions to existing problems.(Kabeyi, 2018)

2.1.6 Transformational Leadership

Transformational leadership is a leadership theory that emphasizes inspiring and stimulating followers to create positive change within an organization. Transformational leaders focus on developing their followers' potential and building a strong emotional connection with them. They recognize the importance of individuals as key assets within an organization, and seek to develop a shared sense of mission and purpose. This leadership style is particularly effective in driving innovation and creating a culture of creativity within an organization. By inspiring their followers to think outside the box and develop new ideas, transformational leaders can help an organization achieve a high level of effectiveness and competitive advantage. (Atoko, 2023)

3.0 Evaluation of IBS Bank Leadership

According to (Thomas S. Bateman, 2017) Leadership traits refer to the shared personal qualities and characteristics that are typically found in successful leaders. These traits can be grouped into five main components: drive, motivation for leadership, integrity, self-assurance, and business acumen. This approach aims to identify the specific attributes and qualities that contribute to effective leadership and can be used to evaluate and develop leadership potential in individuals.

Based on my personal experience working as a Customer Service Officer in two different branches of IBS bank, I have had the opportunity to observe the leadership style of the former CEO of IBS bank, Mr. Hassan. While there are various methods to evaluate a leader's effectiveness, personal observation can provide valuable insights into a leader's behavior, communication skills, and impact on the workplace culture. In this assignment, i will be sharing my observations and analysis of Mr. Hassan's leadership style during our time working at IBS bank. By reflecting on my personal

experience, I can provide my perspective on the leadership of the former CEO and its effects on the attitudes and performance of the bank's employees.

The IBS CEO was highly driven leader who focused on achieving the organization's goals. For example, under his leadership, the company has expanded its operations to new markets and introduced innovative products and services to stay competitive.

The IBS CEO was a leader with strong ethical values who operated with integrity and transparency. For instance, he has implemented policies to ensure that the bank's operations are compliant with regulations and ethical standards. He took seriously the legal and ethical obligations of the business. This shows a commitment to doing the right thing even when it may be difficult or inconvenient. Also, Transparency was a key aspect of operating with integrity, he was committed to provide clear information to customers about fees and charges, disclosing conflicts of interest, or being open and honest about the company's financial performance.

Mr. Hassan was a highly motivated leader who was passionate about his work and committed to achieving the organization's goals. For example, he had created a culture of innovation and creativity at the bank, encouraging his team members to take risks and pursue new ideas.

During my time at IBS bank, I observed Mr. Hassan exhibit a strong sense of self-confidence in his leadership. He was always decisive and assertive when making important decisions and was not afraid to take calculated risks to move the bank forward.

For example, there was a time when the bank was facing stiff competition from other financial institutions in the area. Rather than taking a cautious approach, Mr. Hassan boldly decided to expand into new regions across the country where there were only local remittance organizations operating. Bringing an international bank for the first time in these regions involved significant

risk for the bank, as it required investing resources into a new market and navigating unfamiliar regulatory and operational environments. However, this strategic move led to increased revenue, customer base, and market share for IBS. This helped to position IBS as a more competitive player in the market and enhance its ability to serve a wider range of customers, potentially positioning the bank for long-term success in the Somali banking industry.

He was a knowledgeable leader who understood the banking industry and the challenges that would face the bank. For example, he has implemented strategies to mitigate risks and capitalize on opportunities in changing market conditions. For example, Implementing a blacklist check is a crucial step for banks to ensure compliance with anti-money laundering regulations. By using a blacklist check, IBS bank was able to screen and identify any individuals or entities that are involved in illicit activities or on international sanctions lists. This helps to prevent the bank from inadvertently facilitating money laundering or terrorist financing activities.

Being the first Somali bank to implement a blacklist check demonstrates that IBS bank was committed to maintaining high standards of compliance and risk management. It also helped to enhance the bank's reputation and position it as a leader in the Somali banking industry in terms of adopting best practices and meeting international regulatory standards.

Mr. Hassan used to encourage his subordinates to take on important responsibilities and make decisions that are in the best interests of the bank. For example, he delegate the responsibility of managing a particular department or project to a subordinate who has demonstrated the necessary skills and experience. This shows his confidence in their abilities and allows them to take ownership of their work. He ensured that his subordinates understood their responsibilities and the expectations for their performance. For example, communicates the bank's goals and strategy

clearly, so that everyone is aligned and working towards a common purpose. He also provided regular updates and feedback to his subordinates to ensure that they are on track.

Overall, Mr. Hassan was an effective leader who focused on achieving the organization's goals, operated with integrity and transparency, was highly motivated, self-confident, and had a strong knowledge of the banking industry. These traits helped him to inspire and motivate his team members, make difficult decisions, and lead the bank towards success.

4.0 Task Performance Leadership Practice at IBS Bank

Effective leadership involves achieving organizational goals, which can be accomplished through task performance behaviors. These behaviors include directive leadership, initiating structure, or closeness of supervision, which are focused on ensuring that the work unit or organization reaches its objectives. This component of leadership is concerned with work speed, quality, accuracy, quantity of output, and compliance with rules. Leaders who prioritize these behaviors can improve their job performance and contribute to the success of the group and organization. (Thomas S. Bateman, 2017)

M. Hassan had a clear and compelling vision for the future of the organization. This vision helped to inspire and motivate employees, as it gave them a sense of purpose and direction. Mr. Hassan had a vision for IBS and was able to communicate it effectively to his staff. A visionary leader engaged in strategic planning to develop a long-term vision for the bank. This might involve analyzing market trends, assessing the competitive landscape, and identifying new opportunities for growth. Mr. Hassan engaged in strategic planning that helped to shape the future direction of IBS bank. A visionary leader is able to communicate their vision effectively to employees, stakeholders, and other members of the organization. Mr. Hassan was able to communicate his vision for IBS effectively, which helped to align the efforts of the bank's staff and create a sense

of shared purpose. Also he exhibited some charismatic traits, such as being passionate and enthusiastic about the bank's mission and values.

He often provided individualized attention to employees, recognizing their unique strengths and needs. This built a sense of trust and loyalty among employees, as they felt seen and valued by their leader. He provided individualized attention to employees at IBS, through mentoring or coaching. He encouraged creativity and innovation among employees, challenging them to think critically and come up with new ideas, and created an intellectually stimulating environment at IBS, by encouraging employees to share their ideas and providing opportunities for them to learn and grow. By exhibiting these transformational leadership techniques, Mr. Hassan inspired and motivated the staff at IBS bank, led to higher levels of engagement and job satisfaction. This, in turn, led to improve performance and better outcomes for the bank as a whole.

Overall, Mr. Hassan's behavior as a transformational leader helped to create a positive and productive culture at IBS bank, where employees felt valued and empowered to contribute their best work.

5.0 Group Maintenance Leadership Behavior at IBS Bank

Effective leadership involves achieving organizational goals, which can be accomplished through task performance behaviors. These behaviors include directive leadership, initiating structure, or closeness of supervision, which are focused on ensuring that the work unit or organization reaches its objectives. This component of leadership is concerned with work speed, quality, accuracy, quantity of output, and compliance with rules. Leaders who prioritize these behaviors can improve their job performance and contribute to the success of the group and organization. (Thomas S. Bateman, 2017)

When I worked for IBS bank, I observed that Mr. Hassan encouraged open communication between employees and their superiors. He valued feedback and was willing to listen to his employees' thoughts and ideas about their work. This approach helped to foster a culture of open communication and mutual respect between employees and their superiors.

By allowing employees to talk freely and share their opinions, Mr. Hassan demonstrated that he valued their input and contributions to the bank's success. This also helped to build trust between employees and their superiors, as they felt comfortable sharing their thoughts and ideas without fear of retribution. This approach to leadership encouraged employees to be more engaged and invested in their work, which ultimately contributed to the bank's overall success.

Mr. Hassan's trust in his employees suggests that he values their abilities and judgment, and is willing to delegate responsibilities to them. This build confidence and autonomy among employees, as they feel trusted and empowered to take on new challenges.

While working at IBS bank, I noticed that Mr. Hassan's acknowledgement of employees who excel in their work indicates that he places a high value on hard work and achievement. This recognition can serve as a source of motivation and encouragement for employees, as they feel that their contributions are recognized and appreciated. Mr. Hassan's treatment of all employees fairly showed that he valued equality and fairness, and was committed to create a respectful and inclusive workplace. This helped to build trust and respect among employees, as they felt that they are being treated with dignity and respect.

During my tenure at IBS bank, I observed that Mr. Hassan's focus on the future of his staff and their potential for promotion indicates that he placed great importance on the growth and advancement of his employees. This demonstrates his commitment to investing in their long-term

success. Such investments can foster a sense of loyalty and commitment among employees, who feel that their supervisor is invested in their professional development.

Overall, Mr. Hassan practiced effective group maintenance behaviors that helped to create a positive and supportive work environment at IBS. By valuing open communication, supportiveness, trust, recognition, fairness, and career development, he was able to build strong relationships with his employees and create a culture of engagement, motivation, and high performance.

6.0 Leadership Behavior Influence on Staff Attitudes and Performance

Mr. Hassan's behavior as a transformational leader is having a positive impact on the attitudes and performance of the staff at IBS bank.

Mr. Hassan's focus on achieving organizational targets and getting work done effectively suggests that he values task performance and expects high standards from his employees. This can help to motivate and challenge employees to perform at their best, which can lead to improved performance and better outcomes for the bank.

Mr. Hassan's group maintenance behaviors, such as open communication, supportiveness, and fairness, can help to create a positive and supportive work environment at IBS. This can help to build trust and loyalty among employees, which can lead to higher levels of engagement and job satisfaction. Mr. Hassan's willingness to involve employees in decision making can help to create a sense of ownership and accountability among employees. When employees feel that their opinions and ideas are valued, they are more likely to feel invested in the success of the bank and to work collaboratively towards achieving shared goals.

Overall, Mr. Hassan's behavior as a transformational leader is helping to create a culture of high performance and engagement at IBS. By valuing task performance, group maintenance, and participation in decision making, he is likely able to inspire and motivate his staff to perform at their best, while also creating a positive and supportive work environment that fosters collaboration and innovation.

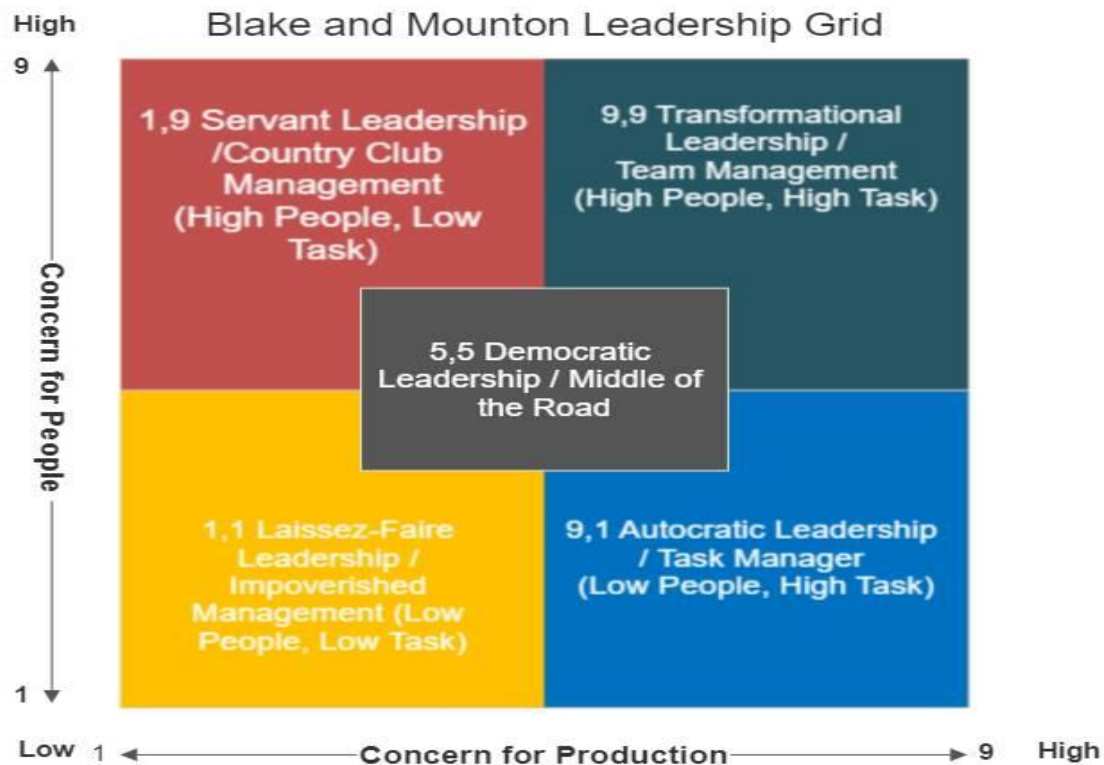
6.1 Blake and Mouton Leadership Grid

The Blake Mouton Managerial Grid of Leadership was developed in 1964 by Robert Blake and Jane Mouton. It is a behavioral leadership model that analyzes the behaviors of leaders and their impact on personnel and the environment. The level of care for both people and output is used in this approach to categorize various leadership philosophies. By utilizing this grid model, managers can assess their own leadership style in terms of their level of concern for production and people, and implement effective strategies accordingly to improve their leadership abilities. (jee, 2019)

Mr. Hassan, as a team manager at point (9,9), demonstrated a leadership style that prioritizes both high production and a strong concern for people. He placed a great emphasis on achieving exceptional results while simultaneously valued the well-being and satisfaction of his team members.

Under Mr. Hassan's management, productivity and output were given significant attention. He set high standards and motivated his team to consistently deliver excellent performance. He understood the importance of achieving organizational goals and maintaining a competitive edge in terms of productivity and efficiency.

However, Mr. Hassan's leadership style also recognizes the significance of people within the team. He genuinely cared about his employees' welfare, growth, and job satisfaction. He took the time to understand their individual needs, strengths, and areas for development. By doing so, he created an environment where team members felt supported, valued, and empowered.



7.0 Summary

Leadership is a multifaceted concept that has been extensively researched in fields such as management, psychology, and sociology. Various leadership styles exist, each with its own set of advantages and drawbacks. The autocratic style of leadership involves a manager who has full control over decision-making and does not seek input from employees. On the other hand, the democratic or participative style of leadership encourages employees to participate in decision-

making and problem-solving. Lastly, the laissez-faire style refers to a hands-off approach where the leader does not intervene or provide guidance to their subordinates.

The servant leadership style prioritizes a leader's dedication to their employees' growth and welfare, shared decision-making power, and a sincere interest in the community. In contrast, transactional leadership motivates followers and obtains compliance using rewards and punishments. Transformational leadership seeks to cultivate followers' potential and establish a strong emotional connection with them.

The leadership style of Mr. Hassan encompasses both task-oriented and group maintenance behaviors. He emphasizes the attainment of particular goals and objectives while also nurturing positive relationships and a thriving work environment. This leadership approach has been instrumental in the prosperity of IBS Bank as it cultivates a positive atmosphere that fosters productivity, motivation, and engagement among employees.

In conclusion, Mr. Hassan was a proficient leader who prioritized the attainment of organizational goals, operated with honesty and transparency, had a deep understanding of the banking industry, and was highly motivated and self-confident. He inspired and motivated his team members, made tough decisions, and led the bank to success. As a transformational leader, Mr. Hassan fostered a positive and productive culture at IBS bank, where employees felt appreciated and empowered to contribute their best work. He practiced effective group maintenance behaviors, including valuing open communication, supportiveness, trust, recognition, fairness, and career development, to build strong relationships with his employees and create an environment of engagement, motivation, and high performance.

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