

Full Length Research Paper

Analysis of leadership styles in banking sector in North Cyprus: A model for banking sector in a small island economy

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Accepted 21 February, 2014

The purpose of this study was to examine the leadership styles among managers at functional levels and generate a new model for the growing sector in North Cyprus' banking sector as its setting. A total number of 85 usable questionnaires were personally retrieved from managers in the research premises. The hypothesized relationships were tested using descriptive statistics in SPSS version 16. Overall, the results reveal that managers in the North Cyprus banking sector exhibit task-oriented leadership style. Importantly, while the older managers were found to be less people-oriented leaders, on the other hand, younger managers were found to be more task-oriented leaders. Surprisingly, the female managers were found to be more task-oriented leaders in this context. This research makes useful contributions to the current knowledge base and the related industry by exclusively generating a new model for the small island economies.

Key words: North Cyprus, banking sector, leadership style, island economies.

INTRODUCTION

During the past four decades, the impact of leadership styles on organizational performance has been a topic of interest among academics and practitioners working in the area of leadership (Cannella and Rowe, 1995; Giambatista, 2004; Rowe et al., 2005). Perhaps the most prominent reason for this interest is the widespread belief that leadership can affect the performance of organizations (Rowe et al., 2005: 197; Ulgen and Mirze, 2006). Critical organizational outcomes, such as satisfaction, organizational performance, group performance, and commitment, have been associated with these leadership styles (Kirkpatrick and Locke, 1996).

The style approach focuses on what leaders do rather than who leaders are. It suggests that leaders engage in two primary types of behavior: task behaviors and relationship behaviors. How leaders combine these two types of behavior to influence others is the central purpose of the style approach. The goal has been to find a universal set of leadership behaviors capable of explaining leadership effectiveness in every situation

(Northouse, 2004: 65-83). Researchers studying the style approach determined that leadership is composed of essentially two general kinds of behaviors: task behaviors and relationship behaviors (Koçel, 2005; Mullins, 1993; Northouse, 2004). Task-oriented behaviors facilitate goal accomplishment. Relationship behaviors help subordinates feel comfortable with themselves, with each other, and with the situation in which they find themselves. The central purpose of the style approach is to explain how leaders combine these two kinds of behaviors to influence subordinates in their efforts to reach a goal. In this regard, especially nowadays, for a sustainable competitive advantage it is important for the companies to differentiate themselves from others. This process may be crucial for a company. During this process in order to take the right decision, decision makers/leaders need new tools and methodologies to help to deal with uncertainties and to decide on the right strategies. Finding a methodology or a tool which make possible the creation and implementation of strategies for growth, diversification, or differentiation is important.

When the future is truly uncertain, making systematically sound strategic decisions under uncertainty requires an approach. Understanding leadership theories and styles may be helpful for the leaders to take a different approach which may create sustainable competitive advantages. Different styles of leadership should be developed in accordance with the shape of organization, followers' situation, ability and enthusiasm, external factors, culture of the nation, etc.

As a case in point, in a small island economy such as North Cyprus, decisions and style of the leader is getting more importance because they have to deal with the other problems which their counterparts do not face. For a relatively small population, North Cyprus tends to have a large number of banks as well as bank branches. The large number of banks in the North Cyprus has led to a branch density of 1 branch for every 1,276 people and this force the bank managers to take place in a severe competitive working environment. Due to the small economic scale and population limitations, it is difficult to find well-trained human resources and therefore rather than adopting task-oriented leadership approach, people-oriented leadership approach may be assumed to be more effective, efficient, and contemporary in such contexts.

The first duty of a business manager is to strive for the best possible economic results from the resources currently employed or available (Drucker, 2006: 81). From this point, it can be stated that leadership style affects the performance of the organization as well.

Against this backdrop, this study aims to examine the leadership styles among managers at functional levels in banking sector as its setting and generate a model for top management of the local banks and also managers of international banks which is called as the branch banks in North Cyprus. In order to maintain and increase the high leadership standards at banking sector, the current study findings contribute to both the top management and the employees of the banking sector who will be tomorrow's leaders in the banking sector of North Cyprus. To date, much of the researches on leadership style have been conducted in the Western countries other than small island countries. Therefore, this study, being conducted in North Cyprus, sought to expand this line of research by including different cultural contexts.

THEORETICAL BACKGROUND AND RESEARCH HYPOTHESIS

Concept of leadership

Leadership has probably been written about, formally researched and informally discussed more than any other single topic in the management and organization literature (Daft, 1998; Luthans, 1995). Review of leadership research shows that there are almost as many different definitions of leadership as there are people who

have tried to define it (Koçel, 2005; Northouse, 2004; Stogdill, 1974). Despite all this attention given to leadership, there is still considerable controversy. Some organizational behavior theorists do not even recognize leadership (Luthans, 1995) and in the past 50 years, there have been as many as 65 different classification systems developed to define the dimensions of leadership (Fleishman et al., 1991).

Despite all of these definitions changing for everyone, controversial, vague, even rejecting definitions, many scholars share the same idea and have a common point for the basic characteristics of leadership such as: leadership is a group phenomenon, leaders use their influence to guide groups through a certain course of action, leadership then requires influence or persuasion, leadership is goal directed and the presence of a leader often assumes some form of hierarchy in a group. The leaders are at the top of that hierarchy, even when the hierarchy is very flat (Bass, 1967; Koçel, 2005; Northouse, 2004; Yukl, 1994).

A review of the leadership literature reveals an evolving series of schools of thought from "Great Man" and "Trait" theories to "Transformational" leadership. There are "trait, behavioral, situational and attribution theories, visionary, ethical, charismatic, and transactional versus transformational" theories (Abramson, 2007). Classical leadership theories have evolved through the 20th century from personality based, to behavioral and to context based theories (Nahavandi, 2006).

One of the most extensive research studies on behavioral categories of leadership was held in the Ohio University starting from 1945. After the studies, researchers found two factors in a wide variety of studies encompassing many kinds of leadership positions and contexts. These were: consideration and initiating structure. Initiating structure behaviors were essentially task behaviors, including such acts as organizing work, giving structure to the work context, defining role responsibilities and scheduling work activities. Consideration behaviors were essentially relationship behaviors and they included building respect, trust, likeness between leaders and followers. These two factors played important role for how leaders carry out their leadership function. In simple terms, the Ohio State factors are task or goal orientation and recognition of individual needs and relationships (Koçel, 2005).

While researchers at Ohio State were developing the Leader Behavior Description Questionnaire (LBDQ), researchers at the University of Michigan were also exploring leadership behavior, giving special attention to the impact of leaders' behaviors on the performance of the small groups during the same times (Northouse, 2004). Researchers, who had summarized the findings of the University of Michigan studies, used the term employee-centered and production-centered supervisors. Like consideration and structure, employee-centered and production-centered supervision need to be balanced.

Both the Ohio State studies and the University of Michigan studies appear to support the idea that there is no single behavioral category of leadership which is superior. There are many types of leadership behavior and their effectiveness depends upon the variables in any given situation (Mullins, 1993: 241).

Task versus people oriented leadership styles

The recognition of task and relationships as two important dimensions of leader behavior has pervaded the works of management theorists over the years. These two dimensions have been variously labeled as "autocratic and democratic", "authoritarian and equalitarian", "employee oriented and production oriented", "goal achievement" and "group maintenance", "task ability" and "likeability", "instrumental and expressive", "efficiency and effectiveness" (Hersey and Blanchard, 1969: 188). According to Bass and Stogdill (1990), leaders differ in their concern for the groups' goals and the means to achieve the goals. Those with a strong concern are considered to be task oriented (Bass, 1967; Fiedler, 1967), and concerned with production (Blake and Mouton, 1964)

Leaders also differ in the extent to which they pursue a human relations approach and try to maintain friendly, supportive relations with their followers. Those with a strong concern are identified as relations oriented (Katz et al., 1950), concerned for people (Blake and Mouton, 1964), and people centered (Anderson, 1974; Bass and Stogdill, 1990: 472).

As it is seen from the above given literature review, different names are given to the leadership styles in conjunction of the leader behavior or relation with the follower. In this article, task oriented leadership style description is given to those who have a strong concern for task and people oriented leadership style description is given to those who have a strong concern for people in order to reach a common goal.

The banking sector in TRNC

The TRNC financial system consists of the Central Bank, commercial banks (State, National and foreign banks) and an investment bank. In terms of total assets, the total share of the first ten banks was 79.21% as of September 2013. With regard to ownership, commercial banks can be grouped as state, private and foreign banks. State owned banks controlled 29.48% of the total assets, privately owned banks controlled 39.71%, and foreign (so called branch banks) owned banks controlled 30.81% of the total assets respectively (Central Bank of Quarterly Bulletin, 2013).

It is important to note that amongst the largest banks in North Cyprus commercial banking sector, there are 2 state-owned banks, one of which is a cooperative bank. Investment bank is established to extend medium and

long-term loans to certain industries such as tourism and education - especially the development of dormitories and tourism investments in North Cyprus and they are funded by the other commercial, state owned and foreign banks by regulation.

It is difficult to mention a banking sector or a financial system, without existence of Central Bank. After peace operation of 1974, the Cyprus Island was divided into two sections: South and North. The young republic was established on 15 November 1983. Central Bank law has been passed from the assembly on 16th May 1983 and Central Bank was established on 6th June 1984 with 43 employees (Central Bank web site). The Central Bank has been restructured after the crisis of 1999 and 2000 and the new banking law has been passed from the assembly of TRNC in 2001.

The banking system is unique from other banking systems within the same scale of countries such as Malta, South Cyprus, Luxembourg, etc. First, banks which operate in North Cyprus especially the local banks are under a limitation and their only gateway to the outside world is through the Turkish banks because of the embargo applied by the world after the 1974 peace operation. National or local banks in North Cyprus do not have minimal correspondent relations with international banks. Local banks do not have ability to reach the international markets to reach the cheaper funds. The only gateway to the international payment system is via Turkish banks, some of them are also competitors in the same market in North Cyprus.

The limitations of North Cyprus banks from worldwide organizations such as SWIFT (a secure electronic fund transfer and communication system among international banks) and the card payment companies such as visa and MasterCard also creates major problems and extra financial burdens to local banks. All the international incoming and outgoing transfers in or out from the country for the import and export of goods, are done via banks located in Turkey. There are also foreign banks which operate in North Cyprus with their international brand names such as HSBC, ING or TEB (BNP Paribas has shares) and Garanti (General Electrics which is an American conglomerate had shares) which have international shareholders. There are also two state banks of Turkey namely: Halk Bank and Ziraat Bank whose shares are held by Turkish state. All these international banks have facilities to reach the international market for the borrowing of cheaper funding while local banks' only source for funding is the deposits. Technologically, local banks have serious investments to compete with the international brands, they try to increase their capital adequacy ratio and they are under high competition with the international banks performing in the same market. This situation will help the local banks to increase their competitiveness in case of a solution of Cyprus problem.

After the crisis in 2000 and 2001, the number of banks

Table 1. Distribution of banks.

Sector	Number
State Banks	2
National Banks	13
Foreign Banks	7
Total	22

Source: Central Bank of TRNC Bulletin September, 2013.

Table 2. Branch and employee numbers of banks in TRNC.

Sector	Branch number	Employees
State Banks	38	563
National Banks	135	1741
Foreign Banks	47	537
Total	220	2841

Source: Central Bank of TRNC Bulletin September, 2013.

dropped drastically from 39 in 2000 and 37 in 2001 to 22 in 2013 (Karavelioğlu, 2009). The banking crisis, which occurred at the beginning of the year 2000, has resulted in the liquidation of ten banks and ended up with economic losses of approximately 200 trillion TL, almost equivalent to 50% of GNP for 1999. The main reason for such huge losses for the TRNC economy is due to the fact that the commercial banks and the institutions responsible for regulation, monitoring, supervision of the financial sector together with those running the monetary policies did not have an organizational appreciation of proactive strategies (Şafaklı, 2003).

For a relatively small population of 286,257 (de-jure population) as of 2011 census which was held on 4th December 2011, the TRNC tends to have a large number of banks as well as bank branches. Currently, the TRNC has 15 national banks of which 2 of the listed are state owned banks; moreover, 7 are foreign banks (Table 1).

In terms of bank branches, domestic banks have a total of 171 branches, an average of 12 branches per bank. On the other hand, foreign banks have 47 branches and are limited to an average of seven branches per bank. Currently, there are 2841 employees in the banking sector, 2304 are employed in national banks while 537 are employed in foreign banks (Table 2). In other words, only 19% are employed by foreign banks, while 81% are employed by national banks (Central Bank of TRNC Quarterly Bulletin, September, 2013: 23).

The large number of banks in the TRNC has led to a branch density of 1 branch for every 1,276 people while in Turkey this number is 7,444 (at the end of 2012, the estimated population was 75,625,000 while the branch numbers in Turkey was 10,158) (compiled from the data at www.tbb.org).

Total asset size of the banking sector in TRNC is 12.443 million TL (approximately 6.221 million USD) as of

September 2013 and total deposits are 10.517 TL (approximately 5.258 million USD) and total credits size is 7.693 (approximately 3.847 million USD). The first five banks hold 55% of the total assets and 59% of total credits.

Gross Domestic Product of TRNC is 6.374 million TL (estimated amount) as of 2011 - this can be given as an example of the insufficient data or lack of updated information in TRNC which is a restriction of the thesis - which means 3.4 billion USD. Compared with total asset size of TRNC banking sector with total GDP as of 2013 September, TRNC Banking sector's total asset size (12.443 billion TL equivalent of 6.221 million USD) is approximately 1.6 times bigger than the GDP (Central Bank of TRNC Quarterly Bulletin, 2013: 24)

Table 3 shows the comparison of employee density with Turkey. In North Cyprus, there are 12.9 employees per branch while in Turkey there are 18.3 employees per branch. However, when we look the employee numbers of foreign banks in North Cyprus, this number drops to 11.4 employees per branch while in National banks there is similar result, 13.3 employees per branch. (Data compiled from Central Bank of TRNC and Turkish Banks Association). This shows that National Banks has disadvantage, considering the personnel cost. This may be as a result of the fact that International banks do not have headquarters in North Cyprus, they operate with branches only and take the support from the headquarters from Turkey.

Research hypothesis

Based on the aforementioned discussion, the following hypotheses were proposed:

H₁: Managers in the banking sector display task oriented-leadership style.

H_{2a}: International bank managers show more task-oriented leadership style than their local counterparts.

H_{2b}: Local bank managers show more people oriented leadership style when compared to international bank managers.

H₃: Managers with higher education level tend to be more people-oriented in leadership style than managers with lower education level.

H_{4a}: Male managers exhibit more task-oriented leadership styles.

H_{4b}: Female managers exhibit more people oriented leadership styles.

H_{5a}: Older managers exhibit more people-oriented leadership styles.

H_{5b}: Younger managers show more task-oriented leadership styles.

METHODS

Data collection and sampling

There are 2841 employees in the banking sector as of

Table 3. Employee density comparison with Turkey.

Variable	TRNC	Turkey	National Banks	Foreign Banks
No. of employees	2.841	185.423	2.304	537
No. of branches	220	10.158	173	47
Employee per branch (%)	12.91	18.25	13.32	11.43

Source: Compiled from data at Central Bank of TRNC and Turkish Banks Association.

September 2013. The target population was full-time bank employees, working in managerial positions in North Cyprus. Since people who have manager title or higher than manager title in the banks in North Cyprus were taken as the target population for the research, the sample size was limited. With the assumption that 10% of the employees has managerial title in the banking sector, the sample size of the research was approximately 280. Before making any attempt to collect data from the banks, the research team contacted the managers of two particular banks in which they have personal relations to pilot-test the questionnaire with five managers. Following the pilot-study, the research team decided not to make any changes to the original questionnaire either in terms of format or content. Non-probability convenience sampling was conducted in this research. A total number of 200 received the questionnaire along with a cover letter and information about the assurance of confidentiality and anonymity. The questionnaires were conducted on a face-to-face and email connection basis. Of the 200 questionnaires, 85 were obtained, yielding a response rate of 43%.

Questionnaire development and measures

One source in the previous literature was used while preparing the questionnaire for the current research. The questions of the survey were initially prepared in English and then translated to Turkish using the back-translation method (McGorry, 2000). The survey instrument used for this study was organized into two parts. The first part consisted of questions relating to leadership styles. Based on an extensive literature review, measurement for the related construct was measured by thirty-five items developed by Mullins (1993). All measures used a five-point Likert-type scale that ranged from '5' = 'always' to '1' = 'never'.

The second part of the survey was composed of four demographic questions: age, gender, education, and nationality. All of them were measured using four-point scales. Gender, on the other hand, was coded as a dichotomous variable (0 = male and 1 = female).

Data analysis

The Statistical Package for Social Sciences Version 16 was used to explore the data. As for statistical

techniques, firstly, reliability (Cronbach's alpha) and validity tests were conducted. Next, mean score was employed to observe average responses.

RESULTS

Psychometric properties of the measures

In order to test construct reliability, Cronbach's alpha coefficient was used. The overall reliability for all scales exceeded the acceptable cut-off value of 0.70, as suggested by Nunnally (1978), indicating that items are free from random error and internal consistency is adequate (Fornell and Larcker, 1981). In order to test whether the distribution of values was adequate for conducting analysis, the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was used and all constructs exceeded the threshold value of 0.50 (task-oriented leadership = 0.727 and people-oriented leadership=0.786) as suggested by Field (2000). In addition, Bartlett's test of sphericity measure indicated that the multivariate normality of the set of distributions was normal for the two constructs, showing a significant value of $p = 0.000 (< 0.05)$.

As shown in Table 4, the majority of the respondents were males aged between 31 to 50 years, who have Bachelor degrees, and on average have been employed by the private banks for 11 years or more. Turkey and the TRNC were the dominant countries of origin.

Means, frequency and standard deviations for task oriented leadership

Table 5 shows mean scores and standard deviation for the managers responses related to task related questions. The mean values ranged from 1.45 to 4.75 and the standard deviation from 0.437 to 1.350. Average standard deviation is 0.765 and total average mean score for the task oriented behavior is 3.837 which means managers in TRNC banking sector show tendency for task orientation. (Compiled data from questionnaire).

Taking into consideration the responses of A and F, there is high level of agreement on questions T13 and T16 (Task related questions) which means managers have the tendency to push the employees for increased production and willingness to make change, while there is lowest agreement on questions T19 and T21 which

Table 4. Demographic data of the respondents.

Gender	Value	Age	Value	Education	Value	Nationality	Value	Experience	Value
Female	28	Less than 30 years old	1	High School	23	TRNC	51	Less than 5 years	21
Male	57	31 - 40 years old	35	Diploma	4	TR	31	5-10 years	28
Total	85	41 - 50 years old	35	Bachelor	42	Others	3	11-15 years	16
		51 years old and more	14	Masters and more	16			15 years and more	20

Source: Compiled from the data in the questionnaire.

Table 5. Means, frequency and standard deviations for task-oriented leadership.

Q	Measurements										Mean	S.D
	A		F		O		S		N			
	F	%	F	%	F	%	F	%	F	%		
T1	28	32.9	46	54.1	9	10.6	-	-	2	2.4	4.15	0.794
T2	2	2.4	15	17.6	43	50.6	20	23.5	5	5.9	2.87	0.856
T3	56	65.9	23	27.1	6	7.1	-	-	-	-	4.59	0.623
T4	35	41.2	36	42.4	14	16.5	--	-	-	-	4.25	0.722
T5	64	75.3	16	18.8	5	5.9	-	-	-	-	4.69	0.578
T6	48	56.5	29	34.1	2	2.4	2	2.4	4	4.7	4.35	0.996
T7	6	7.1	47	55.3	31	36.5	1	1.2	-	-	3.68	0.621
T8	21	24.7	39	45.9	18	21.2	6	7.1	1	1.2	3.86	0.915
T9	3	3.5	8	9.4	42	49.4	21	24.7	11	12.9	2.66	0.946
T10	31	36.5	39	45.9	14	16.5	1	1.2	-	-	4.18	0.743
T11	17	20.0	10	11.8	28	32.9	15	17.6	15	17.6	2.99	1.350
T12	9	10.6	43	50.6	31	36.5	-	-	2	2.4	3.67	0.762
T13	67	78.8	16	18.8	1	1.2	1	1.2	-	-	4.75	0.532
T14	13	15.3	68	80.0	4	4.4	-	-	-	-	4.11	0.437
T15	29	34.1	48	56.5	7	8.2	1	1.2	-	-	4.24	0.648
T16	55	64.7	27	31.8	2	2.4	1	1.2	-	-	4.60	0.602
T17	22	25.9	42	49.4	20	23.5	1	1.2	-	-	4.00	0.740
T18	47	55.3	28	32.9	8	9.4	1	1.2	1	1.2	4.40	0.805
T19	-	-	1	1.2	7	8.2	21	24.7	56	65.9	1.45	0.699
T20	40	47.1	30	35.3	11	12.9	2	2.4	2	2.4	4.22	0.931
T21	-	-	3	3.5	35	41.2	33	38.8	14	16.5	2.32	0.790
T22	45	52.9	29	34.1	10	11.8	1	1.2	-	-	4.39	0.742
Average											3.837	0.765

Source: Research data processed with the use of SPSS program.

implies that managers do not have the attitude to explain the actions and consult the group (Table 5).

Means, frequency and standard deviations for people oriented leadership

Table 6 shows the data related to the answer of

managers about the questions related to people oriented leadership styles (Compiled data from questionnaire). The mean values ranged from 2.36 to 4.69 and the standard deviation from 0.489 to 0.949. Average standard deviation is 0.728 and total average mean score for the task oriented behavior is 3.625 which means managers in North Cyprus banking sector show lower

Table 6. Means, frequency and standard deviations for people-oriented leadership.

Q	Measurements										Mean	S.D
	A		F		O		S		N			
	F	%	F	%	F	%	F	%	F	%		
P1	12	14.1	44	51.8	29	34.1	-	-	-	-	3.80	0.669
P2	11	12.9	44	51.8	29	34.1	1	1.2	-	-	3.76	0.684
P3	-	-	7	8.2	35	41.2	31	36.5	12	14.1	2.44	0.837
P4	60	70.6	24	28.2	1	1.2	-	-	-	-	4.69	0.489
P5	8	9.4	33	38.8	40	47.1	2	2.4	2	2.4	3.51	0.796
P6	2	2.4	5	5.9	32	37.6	29	34.1	17	20.0	2.36	0.949
P7	5	5.9	41	48.2	34	40.0	5	5.9	--	-	3.54	0.700
P8	53	62.4	24	28.2	7	8.2	1	1.2	-	-	4.52	0.701
P9	31	36.5	41	48.2	12	14.1	1	1.2	-	-	4.20	0.720
P10	4	4.7	18	21.2	49	57.6	13	15.3	1	1.2	3.13	0.768
P11	20	23.5	55	64.7	10	11.8	-	-	-	-	4.12	0.586
P12	9	10.6	32	37.6	38	44.7	5	5.9	1	1.2	3.51	0.811
P13	9	10.6	34	40.0	37	43.5	5	5.9	-	-	3.55	0.764
Average											3.625	0.728

Source: Research data processed with the use of SPSS program.

tendency for task orientation.

There is high agreement on questions P4 and P8 which implies that they try out their ideas in the group and settle conflicts when it occur in the group, while there is low agreement on questions P3 and P6. They have being stressed ahead of competing groups and tolerate postponements and uncertainty.

Hypothesis results

The results show that the managers in the North Cyprus banking sector have tendency to task oriented leadership style. This result shows that this study's first hypothesis (H₁: Managers in the banking sector display task oriented leadership style) was accepted.

There are 12 respondents who work in international banks in managerial positions. Means and standard deviation for the task oriented questions ranged from 1.33 to 4.75 and from 0.289 to 1.371 with an average of 3.782. For the people oriented questions, means and standard deviation ranged from 2.33 to 4.50 means and 0.452 to 1.382 with average of 3.703 means. Results show that international bank managers prefer more task oriented leadership style, so this study's hypothesis (H_{2a}: International bank managers show more task oriented leadership style) was accepted.

There are 73 respondents who work in local banks in managerial positions. Means and standard deviation for the task oriented questions ranged from 1.47 to 4.60 and from 0.458 to 1.348 with average of 3.845. Means and standard deviation for the people oriented questions

ranged from 2.34 to 4.68 means and 0.497 to 0.870 with average of 3.610 means. Results do not support the hypothesis, so this study's hypothesis (H_{2b}: Local bank managers show more people oriented leadership style) was rejected.

There are 58 managers respondents with Bachelor of Science and Master of Science. Means and standard deviation for the task oriented questions ranged from 1.47 to 4.78 and from 0.394 to 1.238 with average of 3.825. Means and standard deviation for the people oriented questions ranged from 2.41 to 4.66 means and 0.479 to 0.956 standard deviations with average of 3.644 means. From these results, it can be stated that the third hypothesis (H₃: Managers with higher education level tend to be more people oriented in leadership style) was rejected.

The answers of 57 male managers about the questions related to people oriented and task oriented leadership styles show that means and standard deviation for the task oriented questions ranged from 1.42 to 4.70 and from 0.350 to 1.315 with average of 3.795. The means and standard deviation for the people oriented questions ranged from 2.47 to 4.67 means and 0.512 to 0.868 with average of 3.690 means. The result supports this hypothesis (H_{4a}: Male managers exhibit more tasks-oriented leadership styles), as such it was accepted.

There are 28 female manager respondents. Means and standard deviation for the task oriented questions from the female respondents ranged from 1.50 to 4.86 and from 0.356 to 1.438 with average of 3.920. Means and standard deviation for the people oriented questions

		Task Oriented Leadership	
		High	Low
People Oriented Leadership	Low	Local Bank Managers (3.845T, 3.610 P) Female Bank Managers (3.920T, 3.494P) Higher Educated Managers (3.825T, 3.644P)	Younger Bank Managers (3.806 T, 3.576 P)
	High	Older Bank Managers (3.858T, 3.660P)	International Bank Managers (3.782T, 3.703P) Male Bank Managers (3.795T, 3.690P)

Figure 1. Matrix of task versus people oriented leadership style in TRNC.

ranged from 2.14 to 4.68 means and 0.441 to 1.079 with average of 3.494 means. The results do not support this hypothesis (H_{4b}: female managers exhibit more people oriented leadership styles), as such it was rejected.

The answers of 49 managers who are more than forty years old related to task oriented and people oriented leadership styles show that means and standard deviation for the people oriented questions from the respondents ranged from 2.31 to 4.78 and from 0.422 to 0.914 with average of 3.660 and 0.747 respectively. While means and standard deviation for the task oriented questions ranged from 1.43 to 4.73 means and 0.373 to 1.392 with average of 3.858 means; the results do not support this hypothesis (H_{5a}: Older managers exhibit more people oriented leadership styles), as such it was rejected.

The results of the answers of 36 managers who are less than forty years old related to task oriented and people oriented leadership styles shows that means and standard deviation for the people oriented questions from the respondents ranged from 2.25 to 4.58 and from 0.523 to 1.027 with an average of 3.576. The means and standard deviation for the task oriented questions ranged from 1.47 to 4.78 means and 0.465 to 1.222 with an average of 3.806 means. The results are in accordance with the hypothesis (H_{5b}: Younger managers exhibit more task oriented leadership styles), as such, it was accepted.

In literature, task orientation was higher among men than among women (Bass and Stogdill, 1990) but the research results show that female managers have even higher score for task by the average mean of 3.920 for task, and lower score (3.494) for people, compared with the male colleagues. In the banking sector, this may be

that females try to be something other than what they are, and they may be adopting a masculine style.

The results as a whole point out a slight difference, that is, the average mean of managers' scores is 3.837 for task and 3.625 for people. This slight difference shows that managers have tendency for equilibrium between the task and people oriented behavior, which may be as a result of the effect of the changing values in the working environment, increasing human rights or effect of unions.

Matrix and model

As shown in Figure 1, a matrix which is a summary of this work is done depending on the average of mean for each hypothesis. Depending on the findings of the article, there is no high level task oriented or low level of people oriented leadership styles. There is no 100% task or 100% people oriented leadership styles but there are different levels for each.

For example, International managers task oriented leadership style mean is 3.782 and it is lower than the local managers task oriented leadership style mean which is 3.845, but at the same time, the international managers people oriented leadership style mean is 3.703 and is higher when compared with the local managers people oriented leadership style mean (3.610). The findings show the opposite for older and younger, etc.

The matrix shown in Figure 1 can be seen as the summary of the style of managers for a small island banking sector. Bearing in mind the difficulty of finding well trained banking staff, economy of scale, and special conditions in the North Cyprus banking sector, this matrix may help general managers to decide on which type of

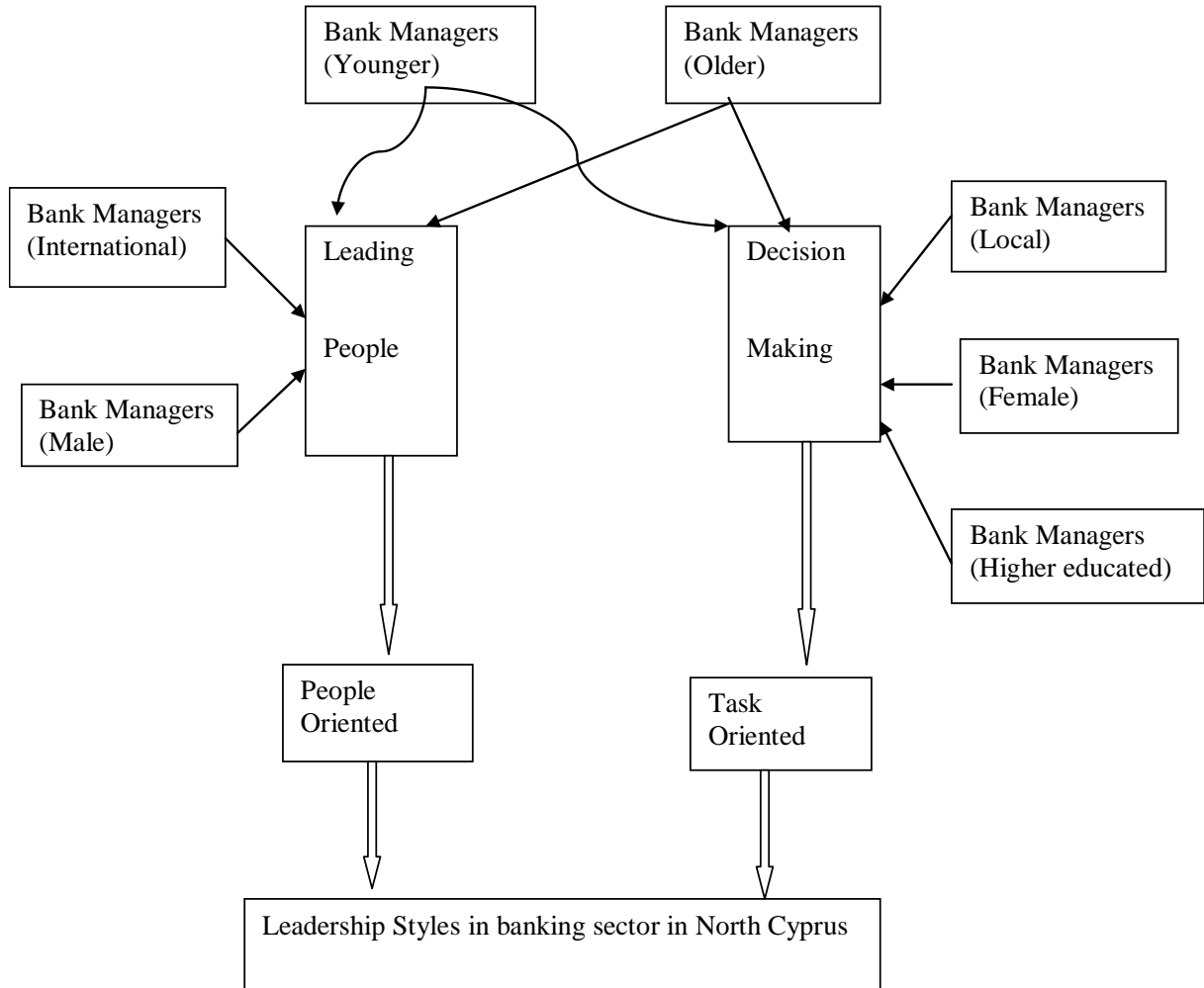


Figure 2. Model for the banking sector.

managers will suit their strategy.

From the results shown in the matrix, it can be stated that female bank managers highly prefer the task-oriented style and get the highest score (3.920 for task) together with the older bank managers (3.858 for task).

International bank managers, who got the highest score (3.703 for people), prefer to show people oriented leadership style, and are followed by the male managers with 3.690 score for people oriented style. Local, female, higher educated managers seem to prefer to take the decision and expect from the followers to obey these decisions and show task oriented leadership style. Male international bank managers prefer to lead people during their office environment and show people-oriented leadership style. However, young and older bank managers compared with others follow a balanced leadership style.

After all these explanations, the model for the banking sector is shown in Figure 2. Human Resources department and top management may take this model

into consideration while recruiting the managers who suit their strategy to enhance the performance of the employees. With the help of the matrix and the model, necessary trainings and educations may also be given to increase managers' unimproved styles in case of decision making and leading the task-oriented and people-oriented styles to be affected at the end.

CONCLUSION AND RECOMMENDATIONS

Every manager is expected and accepted as the leader by the followers. Like many other concepts, the understanding and attitude to leadership styles has developed, changed and evolved over time. Though most industries have been influenced in one way or the other by the rapid development of interdependence of countries and technological revolution, new economy has opened up new paradigms, structures and strategies for banking, and banks across the world face new opportunities and challenges. Leaders/managers need to understand their

strengths and priorities, as well as the culture, policies, and systems around them in order to consolidate the comparative superiority to the companies that they lead as well as to their competitors.

Banks are profit maximizing organizations and profit maximization, sustainable profitability, creating difference and increasing the capital is important for this sector. Managers have been concerned with the issue of how efficiently banks transform their various inputs into multiple financial products and services; economics of scale is an important factor in an island economy like North Cyprus.

This research is one of the first studies in North Cyprus to analyze the leadership styles in the banking sector and seeks to contribute towards explanation task oriented and people oriented behaviors of managers and to help managers become more skillful in making better decisions.

Results will make contribution to both practitioners and the management literature in terms of closing the gap in the area of leadership in North Cyprus Banking sector, and human resources departments may use these results in managerial development programs. Today's leaders were the followers of yesterday, before coming to manager/leader position; they learned these skills by networking with their supervisors. Understanding and attitude to leadership styles evolved during this time. From this point, it may be suggested that the effect of changing values and tendencies in training and education on leadership development programs related to leadership styles should be studied in broader terms.

Contrary to the previous research findings conducted in Western countries (House, et al., 2004; Eagly and Johnson, 1990), the current study findings show that there is a tendency for the task-oriented leadership styles in North Cyprus. This can be the result of target and/or profitability pressure of the sector. Scarcity of resources may also force managers to exhibit task oriented leadership style to protect their position power and this may affect the employees' performance. Some departments in the banking sector has routine works to be done like accounting, check clearance, reporting, etc., and does not subject to rapid changes. Nature of the work may force managers to act as task oriented.

Results show that there is tendency to task-oriented leadership, however there is slight difference between people and task orientation. This may be the result of scarcity of trained human resources. Difficulty in finding well trained human resources in the banking sector may prevent managers to act purely as task-oriented. As suggested in the model, human resources departments should design training and development programs for leadership to make leaders combine task and people oriented styles to influence subordinates in their efforts to reach a goal.

Leadership style fed by the concepts of culture, power, experience, nationality, education and affected by the

concepts of age and gender, turn to task or people oriented style. Those who adopt the task oriented style focus on decision making and those who adopt the people oriented style tend to leading people. Research results revealed that due to the intensive competition and due to the effect of density in the banking sector, managers behave more task oriented. However the slight difference of task and people oriented behavior points out that managers try to reach equilibrium between task orientation and people orientation.

As with any research project, this empirical research study has also some limitations. The first is about the sample size: the researcher was able to reach only 85 respondents (approximately 30%) on the target sample size despite the fact that there are approximately 280 potential respondents. The second is the distribution of the sample which does not always reflect the exact distribution as in the case of gender (a ratio of 43% male and 57% female in the sector, while in this sample it was 67% male and 33% female).

Despite the above mentioned limitations, findings have provided empirical evidence for leadership behavior for task orientation and people orientation in North Cyprus banking sector. Leaders/managers in North Cyprus banking sector encourage followers/employees to allow the completion of tasks but they do not have strict task orientation or people orientation attitude during this process.

Impact of organization culture and shape of the organization in leadership style should be studied in broader terms. Bearing in mind the limitations on the banking sector in North Cyprus, the role of external environment factors in creation of leadership style in banking should also be studied. However, it is anticipated if the managers would behave in a different style in a different environment. Relationship between leadership style and banking performance in North Cyprus would be an interesting study topic for future researches.

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LEADERSHIP QUESTIONNAIRE

ASSESSMENT OF STYLE

This questionnaire has been designed to evaluate the leadership styles TRNC banking sector and the information gathered will be used in the preparation of the doctorate thesis for GAU. The information given is private and confidential and will purely be used for academic purposes. Thank you for taking the time to participate in the questionnaire.

1.SECTION

Sex	<input type="checkbox"/>	Male	<input type="checkbox"/>	Femal	<input type="checkbox"/>				
Age	<input type="checkbox"/>	Below 30	<input type="checkbox"/>	31-40	<input type="checkbox"/>	41-50	<input type="checkbox"/>	Over 51	
Place of Birth	<input type="checkbox"/>	TRNC	<input type="checkbox"/>	TR	<input type="checkbox"/>	Other. Please specify			
Education	<input type="checkbox"/>	High School	<input type="checkbox"/>	Diploma	<input type="checkbox"/>	University	<input type="checkbox"/>	MA and over	
How many years are you working in finance sector?	<input type="checkbox"/>	less then 5 years		<input type="checkbox"/>	5-10 Years	<input type="checkbox"/>	11-15 Years	<input type="checkbox"/>	16 +
How many years are you working as manager?	<input type="checkbox"/>	less then 5 years		<input type="checkbox"/>	5-10 Years	<input type="checkbox"/>	11-15 Years	<input type="checkbox"/>	16 +
The Bank you working is	<input type="checkbox"/>	Statebank	<input type="checkbox"/>	Private bank	<input type="checkbox"/>	Branch bank			
Your Title	<input type="checkbox"/>	manager	<input type="checkbox"/>	unit manager	<input type="checkbox"/>	Ass. Gen. Manager	<input type="checkbox"/>	General Manager	

2.SECTION

The following items describe aspects of leadership behavior. Respond to each item according to the way you would most likely act if you were leader of a work group. Circle wheter you would most likely behave in described way.

	Always	Frequently	Occasionally	Seldom	Never
1. I would most likely act as the spokesperson of the group	A	F	O	S	N
2. I would encourage overtime work	A	S	B	P	A
3. I would allow members complete freedom in their work	A	S	B	P	A
4.I would encourage the use uniform procedures	A	S	B	P	A
5.I would permit the members to use their own judgement in solving problems.	A	S	B	P	A
6. I would stres being ahead of competing groups.	A	S	B	P	A
7. I would speak as a representative of the group.	A	S	B	P	A
8. I would needle members for greater effort.	A	S	B	P	A
9. I would try out my ideas in the group.	A	S	B	P	A
10.I would let the members do their work the way they think best.	A	S	B	P	A
11. I would be working hard for a promotion.	A	S	B	P	A
12. I would tolerate postponement and uncertainty.	A	S	B	P	A
13. I would speak for the group if there were visitors present.	A	S	B	P	A
14. I would keep the work moving at rapid pace.	A	S	B	P	A

2 SECTION. Cont'd

15. I would turn the members loose on a job and let them go it.	A	S	B	P	A
16. I would settle conflicts when they occur in the group.	A	S	B	P	A
17. I would get swamped by details.	A	S	B	P	A
18. I would represent the group at outside meetings.	A	S	B	P	A
19. I would be reluctant to allow the members any freedom of action.	A	S	B	P	A
20. I would decide what should be done and how it should be done.	A	S	B	P	A
21. I would push for increased production.	A	S	B	P	A
22. I would let some members have authority which I could keep.	A	S	B	P	A
23. Things would usually turn out as I had predicted.	A	S	B	P	A
24. I would allow the group a high degree of initiative.	A	S	B	P	A
25. I would assign group members to particular tasks.	A	S	B	P	A
26. I would be willing to make changes.	A	S	B	P	A
27. I would ask the members to work harder.	A	S	B	P	A
28. I would trust the group members to exercise good judgement.	A	S	B	P	A
29. I would schedule the work to be done.	A	S	B	P	A
30. I would refuse to explain my actions.	A	S	B	P	A
31. I would persuade others that my ideas are to their advantage.	A	S	B	P	A
32. I would permit the group to set its own pace.	A	S	B	P	A
33. I would urge the group to beat its previous record.	A	S	B	P	A
34. I would act without consulting the group.	A	S	B	P	A
35. I would ask that group members follow standard rules and regulations.	A	S	B	P	A