

The Impact of Globalization on Organizational Efficiency in the Financial Sector: Analyzing the Role of Leadership and Management in the UAE

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Abstract- In this technologically advanced era, researchers and academia are interested in exploring the outcomes of globalization for the financial sector in terms of organizational improvements. This study is interested in examining the impact of economic globalization on organizational efficiency in the financial institutions in the UAE. Based on the data collected from 100 banks in Abu Dhabi, the mediating role of leadership and management between economic globalization and organizational efficiency is analyzed. The findings revealed a positive link between organizational efficiency and globalization which is partially mediated by leadership and management practices. The results stress the importance of balancing between production-oriented and people-oriented management and leadership styles to achieve organizational efficiency. Unpredictably, an indirect association between economic globalization and leadership and management styles produces implications for further research to determine contextual factors and rooted complexities.

Keywords- organizational efficiency, globalization, economic globalization, return on assets, leadership and management styles, financial sector in Abu Dhabi

I. INTRODUCTION

Financial elements especially money are an important part of any society or nation, sustainability of financial flows is an integral aspect of continuous economic growth and development [1]. The globalization trends in the financial sector are evident from various studies [2, 3]. Globalization remains to be an extensively researched area in the academic and business literature, economic globalization is defined in many ways. According to the International Monetary Fund (IMF), economic globalization is an interlinked phenomenon between the transfer of production capabilities beyond borders resulting in an extension of foreign direct investments [4]. On the other hand, Rosnerova and Hraskova [5] defined globalization as a process through which businesses influence international markets and functions on an international scale. On the contrary, Dreher, Gaston and Marten [6] viewed globalization as a combination of economic, financial and social aspects such as an integrated view of the market through the development and management of a network that connects actors via the exchange of ideas, funds, technologies, goods and information. The current researcher has adopted this view of globalization and is particularly interested in understanding the effect of globalization within the financial sector of the United Arab Emirates (UAE).

The financial sector in the UAE comprises of stock market, domestic and foreign banks, investment firms and other financial entities [7]. The UAE financial sector is of great importance as it aligns with its aim to become a global financial hub with a “free zone” that offers businesses and investors across the world to start new businesses with full ownership and friendly tax [7, 8]. The open economy and free trade initiative was taken by the UAE government to attract international investments as part of an amendment to the previous UAE Federal Law No. 2 which restricted businesses from having an Emirati agent or partner [9]. The financial market in the UAE is very competitive, the banking sector is considered important for economic development and sustainable growth [10]. With such competitiveness, it is necessary for the banking sector in the UAE to understand the importance of factors that contribute to profitability [10]. Likewise, Hashmi [11] specifically focused on the UAE banking sector and argued that it is globally competitive with increasing foreign banking growth. About 46 banks are in UAE including foreign banks, most of the large banks such as Emirates Bank International (EBI), National Bank of Abu Dhabi (NBAD), Abu Dhabi Commercial Bank (ADCB) and others are stable and maintain strong positions in the market [11]. On the contrary, the report published by the Central Bank of the UAE highlighted the recent activities in the financial sector of UAE, the sector shows promise for growth with an annual aggregation of 10.1%, and the financial market index in Abu Dhabi increased by 63.20% [12]. Overall, the financial market in the UAE has remained resilient and recovered even after a few drops due to the pandemic [13]. However, there is little known about the impact of economic globalization on the organizational efficiency of the banks in Abu Dhabi. The present study explores the impact of globalization on the organizational efficiency of Abu Dhabi banks.

Scholars in the past have not found consensus among the definition of organizational efficiency, [14] conducted a systematic review of literature reviews on organizational efficiency. It was found that organizational efficiency is defined differently in addition to being measured differently [14]. Nevertheless, organizational efficiency, as a concept is agreed to be linked to efficiency, Australian Government Productivity Commission found dynamic efficiency, allocative efficiency and productive efficiency as the most important dimensions to understand it [15]. Aligning with this concept, efficiency can either be productivity such as the production of goods at a reduced rate, or it can be allocative such that the maximum returns are achieved in the available resources [15, 16]. And, it can be dynamic efficiency which refers to the resource allocation in the long term that increases economic efficiency and leads to the generation of more resources instead of scarcity. Drawing upon this, the current

researcher defines organizational efficiency as the economic or financial efficiency of an organization. Organizational efficiency is examined as a sub-set of organizational performance using different measures such as cost efficiency, technical efficiency, and production efficiency indicating the overall financial performance of the organization [17, 18, 19].

As above, the present study is interesting in filling the gap in knowledge related to the impact of economic globalization on the organizational efficiency of Abu Dhabi banks. Moreover, the role of leadership and management as a mediator between economic globalization and organizational efficiency is assessed.

II. LITERATURE REVIEW

Theoretical Underpinning

The study is interested in examining the intersection between leadership-management theory and globalization theory. The theories are relevant to these and are incorporated as the theoretical underpinning for the present study to understand the changing aspects of organizational efficiency within the Abu Dhabi banking sector. The theoretical conceptualization of globalization [20] is adopted with a particular focus on economic globalization. Based on this, economic globalization is explained as the interconnectedness among countries via the transfer of capital, goods, technologies, and other innovations beyond the borders. Moreover, the theoretical conceptualization behind the Managerial Grid developed by Blake, Mouton and Bidwell [21] informed the present study. A more refined version of the Managerial Grid with four leadership styles is developed and publicly available by Boston University Medical Campus (BUMC) which has been adopted in the present study [22].

As shown in Figure 2, the managerial grid divides the managerial and leadership styles into four: authoritarian, impoverished, country club and team leader. Authoritarian leadership is associated with high tasks and low relationships which means that such leaders are more concerned about task and production instead of employee wellbeing [23]. They expect to see results no matter what. In opposition, the team leader has high tasks and high relationships which somewhat balances the two by leading as an example and encouraging employees to work to their full potential [24]. Country club management style allows low tasks and high relationships focusing more on employee development and such leaders or managers rely on reward and punishment [25]. Lastly, impoverished leaders are usually silent and use a hands-off approach to management, the employees are left on their own. The Abu Dhabi banks are assessed using the Managerial Grid to assess which leadership and management style are prevalent in these banks and the data is used to understand the mediating role of leadership and management. The concern for production/task is the vertical axis whereas the concern for people is the horizontal axis that defines a leader’s behavioural and management style based on these two dynamics [22, 21].

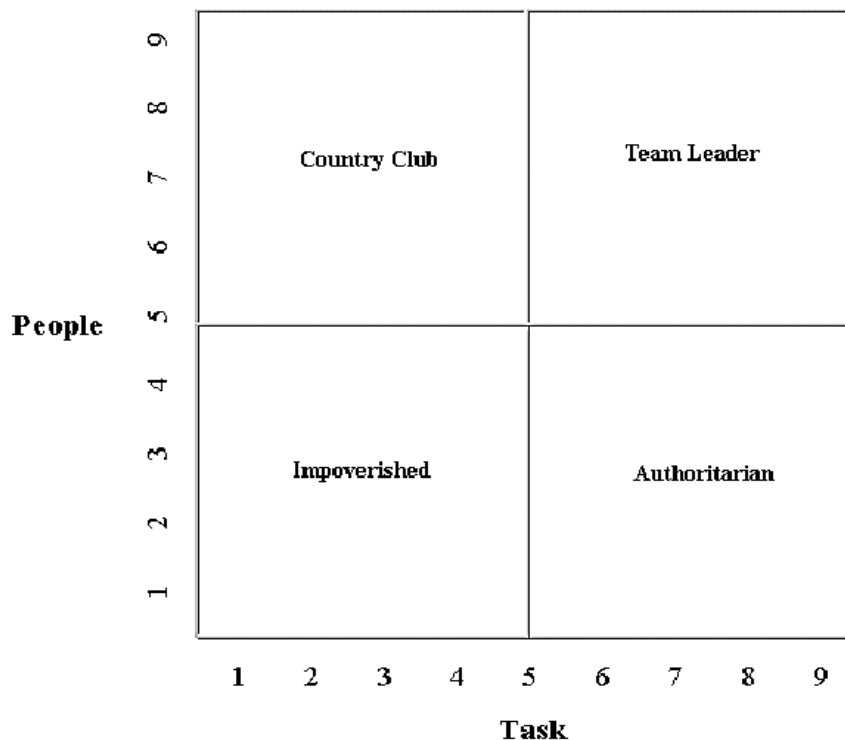


Figure 1: Managerial Grid, Source: [22]

Globalization and Financial Institutions

The financial sector, worldwide, is embracing changes in terms of emerging trends, four trends have been identified [26] including digital finance, the uncertainty of tangible finance, finance mobile applications, and an increase in customers’ demands for personalized financial services. From a wider perspective, the integration of various information technologies has boosted globalization trends influencing economic activities in all sectors including financial markets. The financial institutions are of different types, banking and non-banking, the current research is interested in banking financial institutions that are primarily involved with depositing funds and providing loans [1, 27].

The main role of financial institutions is to deal with the transfer of funds among investors and business firms, these institutions play an integral role in a country's continuous economic development and growth [1]. The banking sector has received an immense amount of attention from various scholars in recent years with the increasing globalization trends. On the contrary, a multi-country study examined the effects of globalization on the financial development of about 36 countries between 1996-2016 [2]. The findings of the study indicate a strong cause-and-effect relationship between globalization and financial development. Specifically, the authors measured the financial development of institutions using three variables such as access, depth and efficiency [2]. On the other hand, globalization was measured using the Swiss Economic Institute database referred to as Konjunkturforschungs-stelle (KOF) which is openly available and used by many studies [28]. A composite index was used with a scale ranging from 0 to 100, where the right side of the scale indicates not globalized and the left side indicates highly globalized [20]. The study also used control variables such as income, macroeconomic policies, and institutional quality. The empirical findings suggest a significant relationship between economic globalization and financial institution efficiency, The authors used this finding to suggest that globalization plays a role in promoting financial institutions to reform for financial development [2]. However, the interpretation is limited and provides a surface-level understanding of how exactly economic globalization and organizational efficiency are linked. An investigation of the effect of globalization on economic growth in fragile economies revealed similar findings in terms of a positive association between globalization and financial development [3]. The authors concluded that in less developed countries, the relationship differs, financial systems play an integral role; a strong financial system is more likely to lead to improvement and growth in financial institutions [3]. This indicates that globalization trends may vary in the economic growth between developed and less developed countries when it comes to financial institutions. Nevertheless, the influence of globalization cannot be ignored by organizations in several sectors including the financial sector and the opportunities it presents because of the growth of foreign markets and globalized economic activities [29, 30].

Economic Globalization (EG) Organization Efficiency

Economic globalization (EG) surpasses the integration of economies through capital flows, technological progression, and enhanced trade beyond the borders. There is a lack of empirical evidence to conclusively state the impact of economic globalization in the literature, focusing on this knowledge gap [17]. The authors used longitudinal data between the years 1999-2007 to imply a link between the globalization level and the performance of the banks [17]. The study is useful in producing implications for the present study to stress the argument of understanding economic globalization's impact on financial institutions. The authors focused on technical efficiency and used ROA among other measures for assessing bank performance, whereas Dreher's [20] KOF globalization index was used including information flow, political globalization, actual flow, personal contact, restrictions index, and cultural proximity. A positive association between economic globalization and financial banking sector performance is demonstrated [17].

Economic globalization may influence several factors such as access to international and foreign markets, increasing competition in the market and improving access to the market. Other studies [18, 31] in the past have emphasized that economic globalization affects shaping the organizational performance in the financial sector such that greater globalization of economic factors leads to efficiencies in the banking sector. For instance, [18] assessed the impact of globalization in the banking sector on banks' performance using data on 169 nations between 1998 and 2013, performance was measured using cost efficiency and profits measures. A comparative analysis between emerging markets and low-income countries revealed that globalization impacted positively in emerging and advanced economic countries (including UAE) with more than 50% foreign banks compared to low-income countries [18]. Similarly, Kale and Eken [31] investigated whether economic growth influenced bank efficiency within OECD countries and vice versa between 2011 and 2019. The findings indicated that the efficiency of banks decreased till 2015 due to many factors related to the frontier shift and then stabilised in 2017. A limited link was concluded between economic growth and bank efficiency within the OECD with a limited focus on the UAE [31]. This presents an opportunity to particularly focus on the UAE and on economic globalization to see whether economic globalization in the UAE influences efficiency in banks within Abu Dhabi. Given the emphasis on investigating the influence of economic globalization within the banking sector, as above, the following hypothesis is developed to explore the UAE financial institutions such as banks in Abu Dhabi.

Hypothesis (H1): Economic globalization positively influences organizational efficiency in financial institutions.

Economic Globalization and Leadership and Management

Studies [32, 33] in the past have examined the effect of globalization on leadership and management, the leaders are given the challenge of understanding globalization aspects and incorporating it into organizations. The role of communication and knowledge transfer is encouraged to ease the effect of globalization on leadership and management [32]. Highlighting the implications for leaders and managers, Rifai [33] argued that there is no choice but to adapt to the changes, the leaders and managers thus are to work on their capabilities and readiness to embrace change. Most of the studies focus on the education sector and lack evidence to generalise it to the banking sector, there is a gap in research related to the impact of economic globalization and leadership and management styles in terms of empirical studies. Nevertheless, previous studies as discussed above indicate the link between all aspects of globalization including economic globalization and leadership and management style. Hypothesis 2 is developed to test this within the context of the Abu Dhabi banking sector and to reduce the gap in knowledge about the link between globalization and leadership and management, empirically.

Hypothesis (H2): Economic globalization has a significant relationship with Leadership and management styles in financial institutions

Leadership, Management and Organizational Efficiency

A wide range of studies [34, 35, 36] have discussed the important role played by leadership and management in ensuring that organizations reach their full efficiency and achieve desired organizational performance. Within the UAE banking and financial sector, Cherian, Vilas and Raj [37] conducted a study based on several leadership styles in the UAE and found that transformational and democratic leadership is positively linked to organizational performance. Both styles allow the participation of employees and the leader is open to suggestions from the followers. Transformational leaders, moreover, encourage followers to work with more effort which in turn leads to enhanced performance [38]. On the contrary, laissez-faire and authoritarian leaders are different from these, authoritarian leaders are strict and do not allow followers to provide any input [36]. Whereas laissez-faire leaders are lazy and provide delayed or no feedback to followers and mostly leave everything to them to do themselves. The influence of laissez-faire is found to be mixed depending on employees [39]. Transactional leaders, on the contrary, use rewards and punishment method which does not work in all situations [37].

Similarly, [40] provided evidence to suggest that leadership style directly impacts organizational performance in UAE banks and is also relevant to the financial performance of the organization indicating financial efficiency. Based on these, H2 is developed to test the effect of leadership and management style on organizational efficiency (measured by ROA) in Abu Dhabi banks. However, research is scarce on the role of leadership and management as a mediator between economic globalization and the organizational efficiency of banks. Team leadership can help address globalization challenges by developing capabilities in the team to adapt to changes in the organization [41]. This presents a gap in knowledge regarding the mediating role of leadership and management style between economic globalization and organization efficiency. To fill this gap in research, hypothesis 3 is developed to test the mediating role of leadership and management style.

Hypothesis (H3): Leadership and management styles positively influence organizational efficiency in financial institutions.

Hypothesis (H4): Leadership and management in financial institutions mediate the relationship between economic globalization and organizational efficiency.

III. CONCEPTUAL FRAMEWORK

Figure 2 shows the conceptual framework of the study that is developed by the author, guided by the literature review above and the associated hypotheses that were developed. The expected relationships between the independent variable (IV) economic globalization and the dependent variable (DV) organizational efficiency of banks are shown in the figure which is developed with the help of literature review findings. Furthermore, the role of leadership and management as mediating variables is examined between the IV and DV along with the individual effect on organizational efficiency. All three expected relationships or hypotheses to be tested are shown.

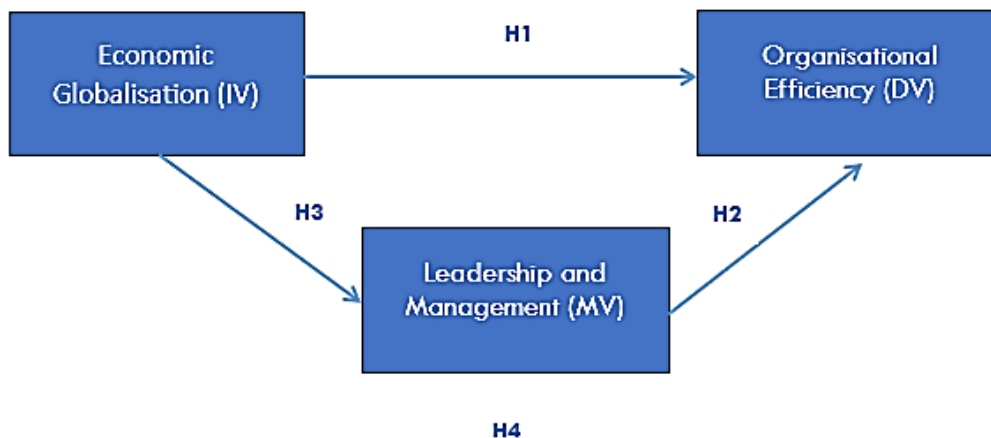


Figure 2: Conceptual Framework and Hypotheses, Author's Contribution

IV. MATERIALS: STUDY VARIABLES AND MEASURES

The main objective of this paper is to examine the effect of economic globalization on the efficiency of financial institutions such as banks in Dubai, UAE. The moderating role of leadership and management was also analyzed to understand the interplay between globalization, organizational efficiency, leadership and management. As mentioned earlier, the dataset for the economic globalization index was downloaded from the KOF globalization index for the UAE. The details are provided below regarding the materials necessary to achieve the analysis between the independent variable (IV) which is economic globalization and the

dependent variable (DV) which is the efficiency of the financial institutions in Dubai, UAE. Furthermore, the analysis of mediating variables (MV) such as leadership and management is conducted.

The KOF Globalization Index

Nevertheless, the economic globalization index is effectively measured using the KOF Globalization Index. The KOF index was first proposed to explore the link between globalization and economic growth using data from 123 countries [20]. A later version from the same authors updated the globalization index with de facto and de jure aspects to understand the consequences on the growth of the economy differently in terms of actual and legal indicators, respectively. Later, [42] introduced a new index based on 43 variables, different in terms of using 'time-varying weighing of the variables' to examine how globalization has impacted economic growth distinguishably in other parts of the world against South Korea [42]. The publicly available data to measure the globalization trends in the UAE in terms of social, economic and financial indicators was used for this study, the recent dataset for 2022 was downloaded to retrieve globalization trends for UAE in the past 10 years [28]. Specifically, economic globalization is selected and will be used as it is directly relevant to the financial sector in terms of assessing organizational efficiency in the financial entities which are banks in the UAE. According to the KOF Globalization Index variables description in 2022, the 'KOFFiGIdf' item is associated with the indicators of economic globalization that are empirically validated or as mentioned 'de facto' [43]. The data was augmented by including monthly values for the years 2010-2020 using the augmentation method.

Measures of Organizational Efficiency

Owing to the multiple explanations and definitions of organizational efficiency, scholars have differently measured organizational efficiency like in the past [14]. A wide range of studies have provided useful knowledge about measuring organizational performance [19], whereas fewer studies have focused on measuring organizational efficiency, per se. The study by Parra-Luna and Kasparova [44] is among those who have focused on organizational efficiency and viewed it beyond the economic aspects or limited ideology. The authors provided a different approach to understanding how organizational efficiency should be measured to conduct scientific research within the organization using a quantitative methodology [44]. Moreover, Davis and Pett [45] argued that organizational efficiency is effectively measured using two items that are Return on total sales and return on total assets (ROA). Several studies [46, 47, 48] have used ROA to measure performance in terms of financial efficiency in an organization or financial institution. Drawing upon this, ROA values for 100 banks in Dubai were collected to measure efficiency.

V. SAMPLE POPULATION AND DATA COLLECTION

Using purposive sampling, the sample size was decided based on criteria such as financial institution type such as bank and participants were selected based on experience such as either 3 or more years. A survey was distributed to 100 banks in Abu Dhabi to capture the leadership style and management practices prevalent in these banks. Along with this, the data was collected from the banks related to return on assets (ROA) to measure the efficiency of the banks. The response rate was 100% for the survey questionnaire. A total of 21 items were used in the questionnaire, 3 for collecting the demographic information including age, position level and gender of the participants. The leadership assessment questionnaire provided by Blake, Mouton and Bidwell [21] is used, also known as the Managerial Grid. The questionnaire includes 18 items such as questions related to assessing the behaviour of individuals and inclination towards people vs. production/task. The questionnaire uses a 5-point Likert scale ranging between 1 to 5, where 1 represented "never", 2 represented "rarely", 3 represented "occasionally", 4 "frequently" and 5 represented "always" [22]. The responses to questions 1, 4, 6, 9, 10, 12, 14, 16 and 17 multiplied by 0.2 make the x value for the grid. Similarly, the responses to questions 2, 3, 5, 7, 8, 11, 13, 15, and 18 multiplied by 0.2 make the y value of the managerial grid [22]. The Abu Dhabi banks are assessed using the Managerial Grid to assess which leadership and management style prevent in these banks and the data is used to understand the mediating role of leadership and management.

VI. DATA ANALYSIS

Demographics

The section represents the demographic details of the respondents, about 34% belonged to the 40-49 age group, 21% were of ages between 30-39, and 20% were aged between 50-59 as shown in Figure 3. About 11% were 60+ age whereas only 14% were under 30 of age. The participants included 62% males and 38% females working in the Abu Dhabi banks as shown in Figure 3.

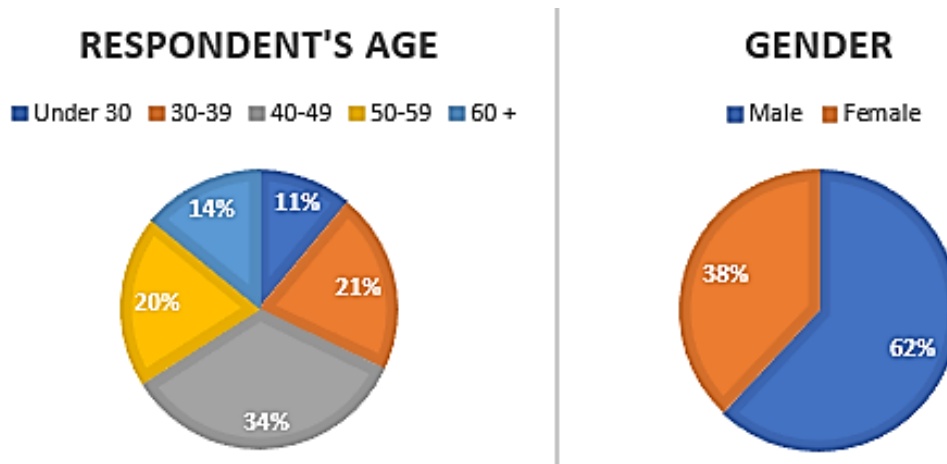


Figure 3: Age and Gender of the respondents

Using the Managerial Grid, the leadership and management styles prevalent in the Abu Dhabi banks were assessed as shown in Figure 4.

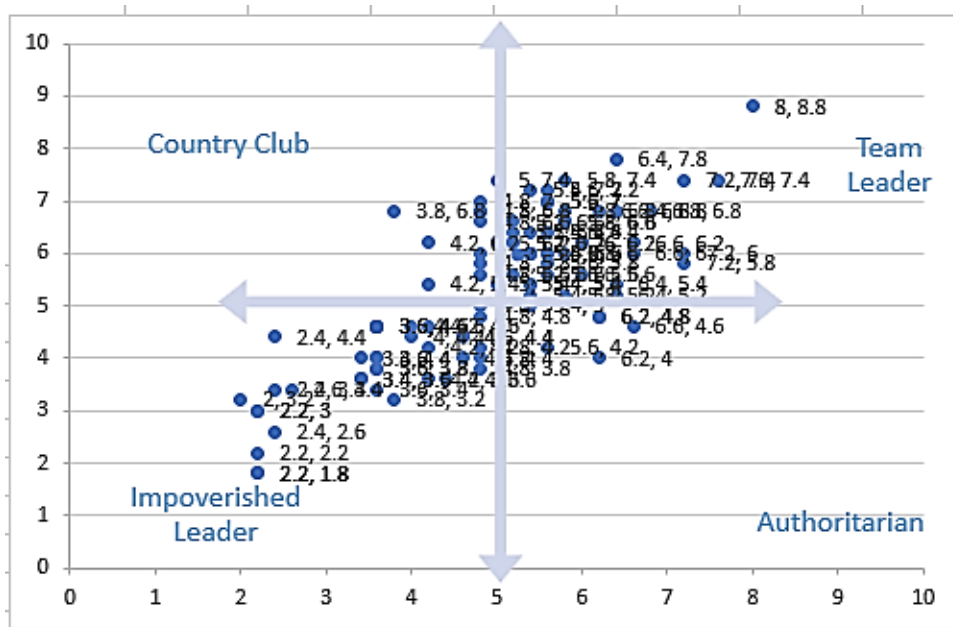


Figure 4: Managerial Grid, Abu Dhabi Banks

As shown in Figure 4, all four leadership styles are found in Abu Dhabi banks including country club, impoverished, authoritarian and team leadership. However, team leadership is observed to be more prevalent among Abu Dhabi banks, then comes impoverished leadership style, then authoritarian and country club is the least prevalent according to the findings.

Mediation Analysis

The mediation analysis was performed on SPSS version 21, the most used method introduced by Kenny and Baron [49] based on four steps to conclude the mediating effect of the mediator (M) between the independent variable (X) and dependent variable (Y). The first step requires a significant relationship to exist between X and Y driven by Equation (1), and the second step requires a significant relationship between X and M given by Equation (3). The third step assesses the significant relation of the M variable with Y when both X and M are in the model as predictors of the Y given by Equation (2). The fourth step requires that the coefficient value of the direct effect (X on Y) be larger than the coefficient value of the indirect effect (X and M on Y). All three equations are stated below [50]

$$Y = i1 + cX + e1 \tag{1}$$

$$Y = i2 + c'X + bM + e2 \tag{2}$$

$$M = i3 + aX + e3 \tag{3}$$

Where, c is the coefficient value between, the independent variable (X) and the dependent variable (Y) and mediating variable is denoted by (M). The values i_1 , i_2 , and i_3 and all intercept values, where c' is the coefficient value for the model including X and M as predictors of Y . The residual values are given in the equation by e_1 , e_2 and e_3 [50]. The Kenny and Baron [49] method has limitations and has been under scrutiny despite being widely used by Abu-Bader and Jones [51]. For instance, it is argued that a mediational effect is still possible when there is no direct effect of X on Y [50, 52]. Other techniques of mediation analysis include the Sobel test [53]. The present study followed Kenny and Baron's [47] method in combination with insights from MacKinnon, Fairchild and Fritz [50] to conclude the mediating effect of leadership and management between economic globalization and organizational efficiency. Furthermore, Hayes' [54] method such as the bootstrapping technique using the Process Macro tool in SPSS was used to evaluate the results. The results of the mediation analysis are presented in the next section.

VII. RESULTS

First, Path a which is the effect of X on the mediating variable (M) which is leadership and management in the present study was assessed. The values included x -value and y -value which together computed the value of M to be plotted at Managerial Grid for assessing leadership and management style used in Abu Dhabi banks [21, 22]. The results showed that no significant relationship was observed between X and $M(x)$, $a = .26$ which is the unstandardized beta coefficient and std. error is 2.69 while Sig. .53 ($p > .001$) showed non-significant $M(x)$. Similarly, no significant relationship was observed between X and $M(y)$, $a = -.206$ which is the unstandardized beta coefficient and std. error is .456 while $p = .653$ ($>.001$) showing a non-significant $M(y)$. The overall model is also non-significant with $p >.001$. Conclusively, Path a indicates the effect of X on M shows no significant relationship.

Table 1: Mediation Analysis Results

M	Effect	Var	B	Std. Error	Df	Mean Square	F	t	Coefficients Sig.	ANOVA Sig.
1	X on M	M(x)	.261	.422	1	.678	.381	.617	.538	>.001
		M(y)	-.206	.456	1	.422	.204	-.451	.653	
2	M on Y	M(x)	3.541	1.491	2	521.92	3.101	2.37	.020	.049
		M(y)	-3.152	1.382				-2.28	.025	
3	X on Y	EG	14.491	3.951	1	2096.202	13.449	3.66	.000	.000
4	X and M on Y	EG	13.232	3.953	3	916.822	6.020	3.348	.001	.001
		M(x)	2.836	1.434				1.978	.051	
		M(y)	-2.527	1.328				-1.903	.060	

In the second step, the effect of $M(x)$ on Y was evaluated using linear regression. A significant relationship was observed between $M(x)$ on Y , $b = 3.541$ which is the unstandardized beta coefficient and std. error is 1.491 while $p = .020 < .05$ indicating significant $M(x)$ shown in Table 1. Similarly, a significant relationship was observed between $M(y)$ on Y , $b = -3.152$ which is the unstandardized beta coefficient and std. error is 1.382 while $p = .025 < .05$ indicating significant $M(y)$. The overall model is also significant such as $p = .049$ and $F(2, 521.92) = 3.101$. Conclusively, the path $b(x, y)$ is significant indicating that M significantly predicts Y .

In the third step the direct effect, such as path c' was evaluated which is given by effect X on Y as shown in Table 1. A significant direct effect was observed between X and Y , $c' = 14.491$ with $p = .000$ and $F(1, 2096) = 13.449$. It means that X significantly predicts Y such that economic globalization significantly predicts organizational efficiency. Thus, path c' indicating direct effect is also significant presenting strong grounds for mediation effect.

In the fourth step, the indirect effect such as X and M on Y was conducted via regression analysis to calculate path c . The model shows a significant effect between X and Y in the presence of mediator M , $c = 13.23$ and Std. error = 3.95 with $p = .001$ ($p < .005$) shows significant direct effect. Thus, path c is also significant like c' but the unstandardized coefficient (B) has reduced in the presence of M in the model. This means that a partial mediation effect of M which is leadership and management exists between X and Y . As opposed to this, a full mediation is concluded when the direct effect of X on Y such as path c' becomes non-significant when mediator M is included in the model.

Following the results of the mediation analysis using the above-stated method, a follow-up test was performed using the Process Macro tool in SPSS, the results were the same which validates the findings of the mediation analysis. A summary of the main findings is discussed next.

MEDIATION ANALYSIS SUMMARY (N = 100)

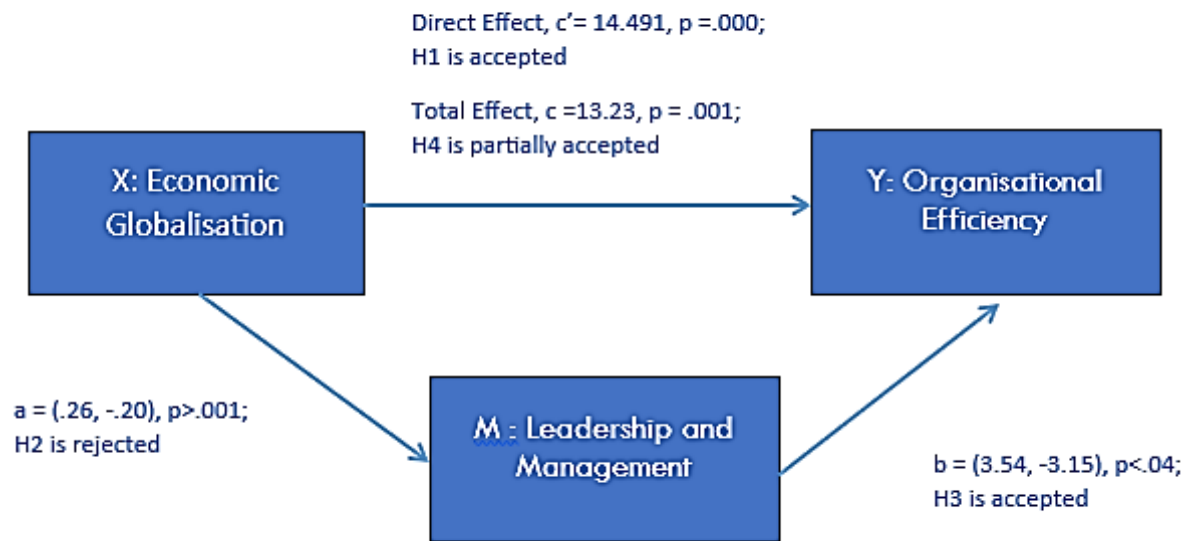


Figure 5: Mediation Analysis summary and conceptual model

Figure 5 shows the summary of the hypotheses and the conceptual model with calculated path values. Economic globalization has a significant impact on organizational efficiency measured in ROA. Leadership and management styles also have a significant association with organizational efficiency. Moreover, it is revealed through mediation analysis that a partial mediating effect of leader and management exists between economic globalization and organizational efficiency. However, economic globalization does not directly predict leadership and management styles. A detailed discussion of the findings along with implications for the calculated t values of the variables is provided in the next section.

VIII. DISCUSSION

The study findings provide insights into the interplay between economic globalization leadership and management styles and organizational efficiency by examining the case of the Abu Dhabi banking sector in the UAE. The first main finding of the study is that economic globalization has a significant impact on organizational efficiency measured in ROA. A positive link between economic globalization and organizational efficiency is shown in Table 1, with a t value of 3.34 positive significant relationship. This is aligned with previous studies [17, 2] which found a positive link between economic growth and globalization and organizational outcomes. Sufian and Habibullah [17] found a strong association between economic globalization and the financial development of banks leading to improved organizational outcomes. Likewise, it is argued that the efficiency of financial institutes increases as the economic globalization trend increases [2]. This is because of the benefits and opportunities associated with foreign markets and globalized economic activities that provide a competitive edge to financial institutions [29]. Moreover, [18] found a positive link between the efficiency of banks and economic globalization which aligns with the present findings. As the UAE presents itself as a global financial hub for economic liberalization and increased international transactions, the financial institutes leverage enhanced market opportunities and improved efficiency in terms of high ROA.

Leadership and management styles also have a significant association with organizational efficiency. However, notable distinct impacts of $M(x)$ such as concern for production and $M(y)$ such as concern for people were observed against organizational efficiency. A focus towards task-oriented and high concern for production was found to have a desirable influence on organizational efficiency, with $t = 2.37$, $M(x)$ showing a positive association with organizational efficiency. On the contrary, a focus towards people-oriented leadership and management practices and high concern for employees at the expense of production concerns can undermine organizational efficiency. The concern for production, $M(y)$ shows a negative association with organizational efficiency with $t = -2.28$, $M(x)$. This indicates that an overemphasis on interpersonal relations can hinder operational efficiency, there is a need to balance between concerns for production and concerns for people.

Moreover, the findings revealed a partial mediating effect of leader and management between economic globalization and organizational efficiency. Studies [34, 36, 35] indicated a positive link between leadership and management and increased organizational outcomes including performance and efficiency. However, economic globalization does not directly predict leadership and management styles. Previous studies [32, 33] have also asserted the complexities and challenges brought by globalization for management and leadership which makes them adapt to changes in the market. While economic globalization has a substantial significant relationship with organizational efficiency, there is no impact on leadership and management styles. It means for the study that while economic globalization shapes organizational efficiency in a broader context, there may be other

contextual factors that moderate or mediate the relationship between economic globalization and leadership and management styles.

Apart from these findings, an assessment of the leadership and management styles using the Managerial Grid indicated a prevalence of team leaders. This indicates that most of the leaders in Abu Dhabi banks are inclined towards high concern for people and high concern for production. Such leaders foster a team-building environment and allow employees to achieve goals collectively. As opposed to this, country club leadership is not so prevalent in Abu Dhabi banks. Such leaders focus more on people and less on production/tasks, these leaders do not have a strict style of management. The findings are consistent with [40] highlighting the shift to 'people business' evident in the UAE banking sector.

IX. CONCLUSION

The study explores the interplay between economic globalization, leadership and management styles and organizational efficiency within the UAE banking sector. The findings hold practical significance for the Abu Dhabi banking sector, fostering leadership development and management training programs that stress a balanced approach to people-oriented and production-oriented concerns to achieve organizational efficiency. Financial institutions must adapt flexibly to changing market demands and globalization trends, and leadership and management strengths must be taken into consideration for achieving a competitive edge via improving organizational efficiency. The financial institutions within the region are expected to inform and develop actionable solutions to navigate the opportunities and challenges of a competitive globalized financial market. The limitations of the study include a specific focus Abu Dhabi banking sector, which may limit the generalizability of the findings. The cross-sectional design calls for consideration while drawing causal inferences, future research may include additional variables and a longitudinal design for an extensive exploration of the selected dynamics. Nevertheless, the findings are critical as it recommends that financial institutions must prioritize training programs for leadership and management development, and provide them with the skills required to balance between people-oriented and task-oriented concerns. Using these recommendations, banks can achieve organizational efficiency and as well as enhanced financial performance.

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