



## THE IMPACT OF LEADERSHIP ON THE JOB PERFORMANCE IN THE LIBYAN INDUSTRIAL SECTOR

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### Information of Article

#### Article history:

Received: Oct 8, 2018

Received in revised form:  
Oct 12, 2018

Accepted: Oct 30, 2018

Available online: Nov 15, 2018

#### Keywords:

Leadership, Job performance,  
Industrial sector, Libya

### ABSTRACT

The purpose of this study to test the impact of leadership on the job performance within the Libyan industrial sector. This sector has witnessed a dramatic changes over the last decade, which is due to the unstable situation of Libya country. The cross-sectional method is used to investigate the impact of leadership on the job performance. A sample of 365 employees from the industrial sector participated in the study. The finding of this study revealed a significant impact of leadership on the job performance within the Libyan industrial sector. This study was limited to the industrial companies registered under the Libyan chamber of commerce, other industrial companies that out of the chamber of commerce criteria are excluded. The result of this study provides an evidence of the leadership impact on improving the job performance, which harnesses the company management to adopt better leadership orientation that ensure higher job performance

## 1. Introduction

The human element is one of the most important elements which organizations depend on to implement their activities and programs and achieve their objectives. The management of organizations is still looking at how to make this human element best for the benefit of the organization, leading to the achievement of the objectives of the organizations towards growth and development and increase productivity and profits. Providing efficient services depends mainly on the human element or the employees of the company (Darendeli & Hill, 2016).

Since the 2011 uprising that overthrew the previous administration, Libya has been buried in a deep political struggle. An economy in which agriculture once prospered was changed by a discount to a rentier condition based on oil of the most extraordinary kind. After the rapid outbreak of post-insurgency oil use in 2014, Libya's economy is in retreat. Security is the best stability test (Bank, 2018). Today, there are open doors for the reintegration of young and former warriors in the labour market. This focus note offers an underlying assessment of Libya's labour market and discusses alternative arrangements to advance employability as a component of a more extensive labour procedure. Such plan is to confirm Libya's labour market to help get closer to producers, the common society and the wider global network. The report finds that the overall unemployment rate in Libya expanded from 13.5 percent in 2010 before the upturn to 19 % starting in 2012, having changed little thereafter. Youth unemployment remains at around 48 percent and female unemployment at 25 %. By far, the majority (85%) of Libya's dynamic labour force is used in the area of the general population, a high rate even for provincial indicators. The rate for women is significantly higher (93%). It works in the industry (to a large extent in the petroleum division) and in agricultural records for only 10 percent of the workforce. Although almost all open-ended specialists are protected by some type of social protection, only 46 % of workers in the private sector are selected, which is a clear contrast (Alkoshi, Leshem, Parashar, & Dahlui, 2015; Al-Zaql and Rahoooma, 2018; Gaber and Khalid, 2018). The report also examines the ramifications of Libyan job search profiles. 30% of companies have announced problems in recruiting qualified Libyan citizens. Only 15 to 30 percent of Libya's workforce in general is talented and is likely to be hired quickly if it is offered access to fundamental job training and job hunting (Aimer, 2016) .

The problematic about leadership and find the right style that a manager should have. Undoubtedly it is one of the most important points when measuring the work performance of employees, every organization describes that the leader with their traits, attitudes, intellectual and emotional characteristics, imply a type of domain within the company externally through the image and positioning of the company, and internally according to the efficiency and effectiveness of its employees and their performance as a work team (Vandewalle, 2018).

## 2. Literature Review

Leadership theory is a discipline that focuses on discovering what makes successful leaders stand out in their work. The main distinction between leadership theory and leadership style is that the latter is within the general field of leadership theory. In other words, leadership style is one of the many examples covered by leadership theory. The leadership style focuses specifically on the traits and behaviours of leaders (Northouse, 2018). Because businesses always strive to find those great leaders who can guide them to success, many efforts have been concentrated on discovering how they operate. More specifically, businesses try to identify the characteristics and behaviours associated with the best leaders. As a result, many theories of leadership have been developed over the years that attempt to explain what makes a leader great. Businesses believe that if they can identify the characteristics of a successful leader, they can not only identify potential leaders more quickly but can refine and improve those characteristics (Lussier & Achua, 2015).

In the beginning, leadership theories focused mainly on specific characteristics and behaviours of leaders. However, as time passed, the theories began to focus more on the followers of the leader and the contextual nature of leadership. For example, early theories, such as the theory of the great man and trait theory, focused particularly on the innate qualities of leaders. In the next phase (which includes behavioural theory, situational leadership theory, and contingency leadership theory), the focus was more on what leaders do in opposition to the characteristics they possess. In the final stage, which includes the theory of transactional leadership and the theory of transformational leadership, the relationship between the leader and his followers is explored (Meuser et al., 2016).

The leadership style is modelled according to the behaviour of the leader, which is included in the theory of behaviour. Within this category, different patterns of leadership behaviour are observed which are then categorized as leadership styles. Managers in practice tend to be the most interesting when investigating this theory since leaders have the ability to alter their style according to their beliefs, values, preferences and according to the culture of the organization where they work. Leadership styles can be divided in different ways according to the information considered. For example, an organization interested in decision-making can define leaders as autocratic or democratic. Another organization may be more interested in how leaders deal with situations and choose to categorize them as charismatic, participatory, situational, transactional, transformational, silent, or servant-like. Another way to differentiate leadership styles is related to the leaders' approach; that is, if the leaders are focused on the process or on the people. It is said that the leaders focused on the process have a considered style, while the leaders oriented to the people have a style with an initiating structure (Meuser et al., 2016).

### *Theory of Kurt Lewin*

Kurt Lewin (1890-1947) was a German psychologist who had a fundamental influence on the development of this science during the first half of the 20th century. Like Wertheimer, Köhler and Koffka, he was part of the School of Gestalt, which he tried to find of the laws that determine human perception and the tendency of the mind to organize the received stimuli. Lewin is credited with the foundation of social psychology as an independent discipline. This is due to their conception of social situations as "fields of forces" where different factors operate and are confronted to their investigations around social actions, to their analysis on group dynamics or to their famous equation to predict behavior (Burnes, 2017). Another of the key contributions of this author is his theory about the three styles of leadership, based on the experiments he carried out in 1939. This fragment of his work had a great impact on another branch of psychology named industrial, also called psychology of work or organizations, which analyses behaviour in the framework of the world of work.

However, Lewin's theory of leadership is not useful only to analyse the context of organizations but can be applied to any human group with structural characteristics such as hierarchy or the attempt to achieve one or more objectives. Of course, the organizational environment has shown a particular interest in this type of theories.

### *The three styles of leadership*

Lewin's research led this pioneer to describe three different types of leadership in organizational management environments: the authoritarian, which has a dictatorial character, the democratic in which decision-making is collective, and the laissez-faire in which the supervision carried out by the leader of the tasks performed by his subordinates is minimal. Each of these leadership styles is related to behavioural patterns, interaction dynamics and a different socio-emotional environment. The three types of leadership have their own advantages and disadvantages, and none can be said to be superior in all aspects; However, Lewin said that the democratic is the most effective of the three.

Herman and Chiu (2014) in their undergraduate thesis entitled "Relationship between leadership styles and the quality of service provided in three-star hotels in May-2015", points out: The objective was to determine the relationship between styles of leadership and the quality of the service provided in hotels categorized as three stars in the Alto Mayo, type research and descriptive basic correlational design, with a sample of 170 collaborators, the survey technique was applied. Universidad de San Martín - Tarapoto 2015, concludes that the leadership style identified in hotels categorized as three stars in Alto Mayo, according to the Management Grid Model is predominantly Autocratic. Masa'deh, Obeidat, and Tarhini (2016), in his master's thesis entitled "Determining factors of the leadership style of the director of the I.E. Jorge Basadre of the district October 26 of the Province of Piura ". Indicates the following: The method was of empirical-analytical type the sample was 44 teachers the instrument used was the questionnaire the objective is to identify the main factors that determine the leadership style of the director of the I.E. Jorge Basadre of the district October 26, Piura province - University of Piura, Piura concludes according to the results, it can be established that, within the personal characteristics, according to the 44 teachers, the director did not have a good leadership. That is, according to tables 1 and 3, the director

is neither in the transformational leadership nor in the transactional leadership, and for the aspects obtained in the results they focus on non-leadership, specifically in table 5, where 65.91% he states that he fully agrees that the director is in the style of non-leadership (*laissez-faire*). Mulki, Caemmerer, and Heggde (2015) in his undergraduate thesis entitled "Correlation between the organizational climate and the performance of the workers of the Maracos 490 grill restaurant in the department of Lambayeque". He mentions the following: The methodology of the study was of Descriptive type, with a qualitative approach of the Catholic University Santo Toribio de Mogrovejo of Chiclayo, Lambayeque. In which concludes: The dimension with the lowest average within the performance variable (Chowdhury and Dhar, 2012; Dhar, Rouhoma, Masruki and Absar, 2018; Masruki, Dhar and Hanefah, 2018; Rouhoma, Dhar, Ali and Osman, 2018; Saeed, Bekhet and Dhar, 2018), is the commitment, which indicates particularly the lack of teamwork, coordination and commitment of workers to the company, which triggers an unfavorable working environment that produces less productivity for the company and influences its customer services.

### 3. Methodology

This study relies on the quantitative approach, the main reason of using the quantitative approach in this study to provide a proper fertile ground discussion about the study investigations. In addition to provide a better perception of the influence of leadership on the job performance, which can't be predicted from the qualitative approach only, using quantitative analysis will work to enhance the data constancy of the final conclusion of the study (Hussein, 2015). The population of this study is the total employees of the Libyan industrial sector, which are 275,645 according to the Libyan chamber of commerce; hence, the study sample is 382 participants based on Payne and McMorris (1967) sample determinants table. For the purpose of collecting this study data, a questionnaire instrument will be used. The measurements of this study have adopted from previous studies. The measurements of the leadership factor have adopted from the study of Mohr and Wolfram (2008), while the job performance factor measurements from the study of (Williams & Anderson, 1991). The obtained primary data of this study will be tested by employing SPSS software, the correlation and regression tests will be used to examine the impact of leadership on job performance in Libyan industrial sector.

### 4. Data Analysis and Results

Respondents were asked to provide their personal data with respect to gender, age, educational qualification, monthly income, experiences in the organization which were included in Part II of the questionnaire. Table 1 below summarized and tabulated the descriptive analysis results. The most common age group was from 26 to 55 years (100%). More than one-third of the respondents were in the age group of 36 to 40 years (34.4%). The majority of the respondents were male (79%).

In this study, almost half of the respondents (49.5%) had bachelor's degree whereas, 18.9% had master degree. Only 2.8% respondents had PhD. Earlier Zahari and Shurbagi (2012) found the majority of the respondents with either bachelor or master degree. In this current study, more than half of the respondents (52.0%) had monthly income ranging from 700 DL to 1100 DL (approximately USD 503 to USD 791). In terms of experience, more than one third of the respondents (39.7%) had five to nine years of experience whereas 33.4% of the respondents had eleven to fourteen years' experience. Only 8.2% had experience of 20 years and above.

The average tenure of the respondents was almost 11 years (Mean = 10.89, S.D = 3.86) in the industry. More than one-third of the respondents (39.7%) had the industry experience between 5 to 9 years. With respect to position, 34.3% were working as operator, 24.7% as coordinator, around 17.8% as executive, 12.2% as supervisor/observer and 11% as manager. The following tables should show the obtained results.

Table 1: Respondents profile

Gender	Frequency	%	Education level	Frequency	%
Male	290	79.4	Primary School	15	4.0
Female	75	20.6	Secondary School	90	24.7
Age			Degree	181	49.6
26 – 30 yrs	72	19.4	Master	69	18.9
31 - 35 yrs	98	26.3	PHD	10	2.8
36 - 40 yrs	122	34.4	Income level		
41 - 45 yrs	50	13.6	700 DL & Below	51	14.0
45 yrs & Above	23	6.3	701 – 1100 DL	190	52.0
Experience			1101 – 1500 DL	49	13.4
5 – 9 Years	145	39.7	1501 – 1900 DL	60	16.5
10 – 14 Years	125	34.3	1901 DL & Above	15	4.1
15 – 19 Years	65	17.8			
More than 20 Years	30	8.2			

Table 2 shows the result of reliability test, which aim to measure the internal consistency of the variables items. The Cronbach alpha for the model constructs has ranged between 0.702 and 0.855, this clarifies a good internal consistency for the model construct.

Table 2 Reliability test

Factors	Items	Cronbach Alpha
Leadership	5	0.855
Job performance	3	0.702

For the purpose of identifying the relationship between leadership and job performance among Libyan Industrial Sector employees, the correlation test is employed. Table 3 shows a significant and positive relationship between leadership and job performance ( $r=0.647$ ,  $p=0.000$ ).

Table 3 Correlations test

		Leadership	Job performance
Leadership	Pearson Correlation	1	
	Sig. (2-tailed)		
Job performance	Pearson Correlation	.647**	1
	Sig. (2-tailed)	.000	

Table 4 shows the result of regression test, this test is employed to examine the contribution of leadership to the job performance in Libyan Industrial Sector. The adjusted  $R^2$  value is 62.9%, this means the model construct significantly explains the job performance of Libyan Industrial Sector employees. As the T value is 11.068 for the construct and P-value were less than 5% for the entire construct, the regression result shows a significant contribution from leadership to the job performance. Looking at the coefficients of the variables,  $\beta$  weight for leadership 0.600, which means that leadership has significant impact and contribution to the job performance of Libyan Industrial Sector.

Table 4 Regression test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.404	.091		4.419	.000
I	.600	.054	.569	11.068	.000
Adjusted R2	62.9%				

- a. Dependent Variable: Employee loyalty
- b. Independent variables: I: leadership, RS: job performance

The result of this study is consistence to the result in the literature; it provides evidence that Libyan industrial sector employees are affected by the level of leadership of the company. These result emphasized the role of boosting the employee retention to the company, Warning (2014) stated that the struggle for talent meant that the importance in corporations shifted from the selection to the attractiveness of staff. Leadership orientations practices and performance conducted by the corporation with the main target of recognizing and engaging possible staff. It has been long considered as a significant part of human resource management as it implements the important option of designing an essential resource (Chaneta, 2014). This finding is similar to preceding study outcomes (Adler-Nissen & Pouliot, 2014; Belias & Koustelios, 2014).

### 5. Conclusion

Thus, from the outcome it can be explained that if the organizations concentrate to approach employee centered leadership practices, the effect is greater job performance of employees in the organizations. Additionally, it can also illuminate that, if the employees feel that the leaders in the organization are giving more emphasizing on their opinion, this will help to enhance performance. Thus, it is here recognized that the role of leadership practices in the organization can prominently affect their performance. This significant relationship indicates that the suitable leadership is vital for the organization to increase employee performance. To say it in other words, roles of leadership are significant predictors of job performance. Thus, the researchers aimed to discuss whether the leadership has really stimulated the employees for higher performance or not. There may be some causes for getting this association significant. In terms of employee in the context of Libya, it is found that leaders in the organizations are more concern about their involvement in the organization. On the other hand, it can be pretend that the leaders in the organization are much more employee-centered which pursue the employee to be contributing more for increasing the performance. Again, it can also be supposed that organizations are much cautious regarding the well-accepted leadership practices that may help the organization to find committed employees and the

result is the enhanced performance of the organization through individual performance. Thus, from the outcome of the analysis and the previous literature support, it can be stated that proper attention of the organizations to the employee-oriented leadership practices and their leaders' caring tendency to their subordinates supports the employee to be more committed to the organization as well as increased job performance. Hence, from the above discussions it can be clarified that if the organization focuses on employee perceived leadership practices, the consequential outcome will enhance organizational performance through individual job performance.

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