



Libyan International Medical University

Faculty Of Business Administration

The Impact of Leadership on Organizational Performance

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Introduction

- Leadership is the ability to inspire a group of people to take action in order to achieve a shared goal.
- It involves motivating and assisting others as they enthusiastically work toward goals.
- Leadership has a direct effect on organizational success.
- The organization's direction, with a defined goal, helps the staff members understand their obligations.

Definition

- The capacity of a person or group of people to motivate and influence subordinates or other members of an organization is known as leadership.
- Leadership is considered a very important thing in the success of any planned strategies or any work that can be implemented in the organization.

Theoretical framework

Paper 1 :

- According to (Ebrahim Hasan Al Kajeh in (2018)) in his paper title Impact of Leadership Styles on Organizational Performance in UAE.
- In this study, both primary and secondary research has been conducted with the help of survey instrument with sample size 20 and the respondents 20 and, according to the finding utilizing quantitative approach as the objective is to determine relationship between subordinate variable organizational execution and independent variable styles.

CONT...

- The focus was on six types of leadership styles- Transformational, bureaucratic, charismatic, transactional, democratic, and autocratic.
- The transactional, charismatic and bureaucratic leadership styles were found to have a negative influence on the organizational performance in the organizations taken for study, whereas, the transformational, autocratic leadership styles were found to have a positive impact on organizational performance.

CONT...

Paper 2:

- According to (Amal Zada Khan and Nosheen Adnan (2014)) within the paper titled the impact of leadership style on organizational performance, in several organizations in Pakistan and looked at how it affected the effectiveness of the organizations. In this study, three main leadership styles were targeted; transactional, transformational and laissez faire leadership styles.
- The first two have a favorable result but different level of influence, while the third one has a negative influence on the performance of the organization.

CONT...

- A quantitative analysis was manufacturing and service firms, carried out through using questionnaires by various executives. (With sample size of 240, and the questionnaires got 201 responses). SPSS was used to analyze the study's results.
- The results indicate that transactional leadership positively affects organizational performance, albeit to lesser extent than transformational leadership.
- According to the majority of the literature that has been published and evaluated, Laissez Faire style has a detrimental influence on organizational performance, and our study has varified this.
- The cause is a result of the leader,s lack of interest, refusal to accept responsibility, and failure to offer direction.

CONT...

- According to the findings, the most appropriate leadership style is transformational, however in young expanding firms, transactional leadership style may be more beneficial and productive.
- Laissez-faire leadership may also be needed in some situation, but only temporarily.

CONT...

Paper 3:

- According to (Rachmad Gunawan et al., 2017) The Effect Of Work Environment, Leadership Style, And Organizational Culture Towards Jop Satisfaction And Its Implication Towards Employee Performance, and the implementation and application of this study was in Parador Hotels & Resorts, Indonesia.
- The objective of this paper is to discover how the company culture, leadership style, and work environment all influence employee performance and job satisfaction. The 642 Parador Hotels & Resorts employees in Indonesia made up the study's population.

CONT...

- The solving formula was applied to calculate the sample size, and 200 employees were part of the structural equation modeling (SEM) sample.
- 179 questionnaires in all were answered and sent for evaluation.
- The sampling method used proportionate stratified sampling, and the sample elements were chosen randomly.

CONT...

- The findings of this paper indicate that while organizational culture, work environment, and leadership style all have positive and substantial influence on job satisfaction, only the leadership style has a positive and significant impact on employee performance.
- Employee performance is not strongly and favorably impacted by job satisfaction, and it is not a mediating factor.

CONT...

Paper 4:

- According to (Ali Bousbia et al., 2015), and according to their title which is talk about The Effect Of Transactional Leadership On Employees Performance, this study has been implemented in five institutions in Algeria. In the summer of 2014, the study was conducted using a cross-sectional timeline.
- This study's purpose was to determine and learn how managers considered about the organizational results achieved by using various leadership ideas in a segment of Algeria's banking system. To evaluate their perspectives, a quantitative survey tool was created. The most cost-effective survey instrument design for this study was a quantitative one.

CONT...

- In this study, 132 respondents provided responses to the 174 surveys that were sent out. According to the results obtained from five banks in Algeria, there is no statistically significant link between transactional leadership and organizational performance.
- Another direct connection between transactional leadership style and performance indicated that when staff members felt deeply and emotionally attached to their company, it was because of the accomplishments they made over time.

CONT...

- The literature review, on the other hand, evidenced that transactional leadership style is generally, significantly and positively connected to performance, which refers to the provision of either positive outcomes or rewards in the case of meeting established goals, or negative benefits in the case of the performer failing to achieve the desired objectives. This indicates a solid link between employment success and this.

CONT...

Paper 5:

- According To (Tareq Ghaleb Abu Orabi 2016) and his the paper was titled The Impact Of Transformational Leadership Style On Organizational Performance, given its potential impacts on organizational performance, transformational leadership has recived a lot of focus in the research.
- According to the paper, this kind of leadership can influence staff attitude and dedication individually, improving the working environment and information sharing. These improvements, taken together, may enhance the organization's performance.

CONT...

- The current study examines the role of transformational leadership and its four elements- inspirational motivation, individual consideration, intellectual stimulation, and idealized influence- and their impact on organizational performance in three Jordanian banks using this as a foundation for investigation. For the purpose of gathering information for this investigation, a questionnaire was utilized to assess the effectiveness and efficiency of the organization as well as the dimensions of transformational leadership.

CONT...

- Three significant banks that are actively active in Jordan were handed the questionnaire.
- The three banks received a total of 249 surveys. 213 questionnaires had been gathered and given back to researcher after two weeks. The investigation's findings certainly give support to the idea that transformational leadership can enhance and improve organizationl performance.

Methodology

- Literature review.
- Samples and respondents.
- The findings of what authors found through analysis, surveys, and questionnaires.
- 17 Papers were reviewed on the impact of leadership on organizational performance.

Summary of literature/ previous studies review

- The factors that have been focused on in the impact of leadership on organizational performance are transformational leadership and transactional leadership, and which system is used most by leaders.
- And the findings of these factors are, transactional leadership also referred to as “management leadership”, is a leadership approach that places a strong emphasis on the interaction between the leader and their followers.

CONT...

- On the other hand, leadership that fosters transformation (change) in the followers is known as transformational leadership. With this leadership approach, the leader collaborates with the team members to determine the desired organizational change.
- Both transactional and transformational leadership are effective in achieving intended objectives and results.

Reflection

- The impact of leadership on organizational performance, leadership is an important role and function in any organization that wants to accomplish and achieve its goals with high efficiency, and also good leadership contributes to increasing profits.
- Leadership relies heavily on efficient planning.
- The majority of authors have adopted the system of transactional, transformational and laissez faire leadership

CONT...

- The transactional leadership and transformational leadership have a positive and favorable impact on the organization but different level of influence, while the third one has a negative influence on the performance of the organization.
- This topic has been developed over the years.
- The targeted areas to implement this research are organizations, banks, schools, enterprises, hotels & resorts, companies and industries.

Limitations

- My limitations in my paper are the shortcomings that papers arranged in the table.
- Shortcomings such as the number of samples, the number of population in most of the papers does not exist, and also the number of respondents.
- Some papers are not specified the system through which the data was analyzed.
- Also I could not find 20 papers, I only found 17 papers about my topic. Also, in some papers, the findings and results were not clearly explained.

Implications & Recommendations

- My Implications about the impact of leadership on organizational performance, the first thing is to choose a clear and multi-opinion topic, also understand the topic accurately, as you can explain the topic professionally to anyone, and also you should focus on the important points in the papers such as, Abstracts, introduction, methodology, samples and data and conclusion.
- My recommendations about my topic are about the leadership, leader should focus on ensure that goals are distinct and visible, emphasize responsibility and accountability, establishing a culture of feedback, increase transparency and trust, respect diversity and encourage inclusiveness and encourage the growth mindset.

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Thank You !