

## Role of Transformational Leadership and the Impact of Organizational Culture in the Petroleum Sector of Libya

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**Abstract:** Researchers, workers and public servants are looking at research on leadership styles, in order to improve their positions and for ideas on how become more efficient, or more proficient, in the public sector, private sector and other aspects of their lives. Studies of Leadership styles and organizational culture have developed in parallel with a rise in peoples' consciousness of leadership style in companies. This study investigated the role of transformational leadership and the impact of organizational culture in two petroleum companies in Libya. This study researched company annual reports. Primary data was collected from companies via questionnaires. Data was collected and analysis was attempted using graphs and tables. It was discovered from the study that whatever the leadership style, it had failed to protect the companies studied, from a deterioration in their financial performance, during which time the market conditions were challenging for all energy companies globally. In a country like Libya, the petroleum industry monopolizes the financial and educational brainpower and managerial and logistical resources of the whole country. If the return on this monopolized capital can be improved, through changes in leadership style, then this should be pursued. This research failed to prove, beyond reasonable doubt, that emphasis on transformational leadership alone would be sufficient to maintain or improve company performance, especially in Arab countries like Libya, which are depend on the petroleum sector

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### I. Background

According to Ahrari (2015), as a member of the Organization of Petroleum Exporting Countries (OPEC), Libya has the biggest oil assets within the African continent, while in 1956, the first Oil well was drilled in Sirte Basin Libya(Wright, A history of Libya, 2012), since then Libya agreed with several companies to explore for oil such as Texas Gulf, Mobil, Esso and others. As a result, more oil resources were discovered by 1959(Zamani, 2005), and the economy of Libya was improved and grew and it became an important source of income to the government. The first Libyan national oil company, The National Oil Corporation, was founded in 1970(Vassiliou, 2009). This institution controlled Libya's oil industry, through many subsidiaries. Additionally, oil was explored since the 1957s in Libya and with the passage of time; oil became the key source of finance to Libya(Lansford, 2014). So, oil provided power to every part of the country and supported financial and economic development, employing hundreds of thousands of people(Wright, A history of Libya, 2012). Over the last few years, several studies have been conducted on the importance of leadership styles and organizational culture, employee job satisfaction and other variables within organizations. This study will explore the transformational leadership and organizational culture in the petroleum sector of Libya.

### II. Method

#### Qualitative approach

Qualitative approach, is formulated from constructivist paradigm in which the researcher needs to avoid and eliminate the use of own perception and impose their own justification on the participants regarding the social phenomenon in the research (Camic, et al., 2003). Moreover, Pawson(A realist approach to qualitative research Joseph A Maxwell, 2014) emphasizes that the aim of this approach is to find out the interpretation of the respondents about the subject matter rather than preconception to a certain conclusion. On the other hand, this research approach may face a challenge, as the research framework seems to be controlled by the respondents rather than by the researcher. In case of qualitative approach, data can be collected by means of interviews or texts but the questions need to be open ended for the respondents (Wiersma, et al., 2009). Moreover, the researcher can modify the questions in such a way that enables the participation of the respondents where they can further discuss on the research areas based on their perception or experiences(Sachdeva, 2009). According to Feilzer,(Doing Mixed Methods Research Pragmatically:

Implications for the Rediscovery of Pragmatism as a Research Paradigm, 2010), this approach is much suitable for researches in social phenomenon rather than finding out some relationship in between some existing variables. This research will therefore not adopt a qualitative approach, given that it only intends to test the leadership style of the social subjects, rather than seek their opinion through open-ended questions.

### **Quantitative approach**

This research approach is based on quantitative data and analysis and there are some pre-existing statistical methods through which the responses from the participants have been analysed in order to validate the approach in the research (Lapan, et al., 2012). Though this approach has been conversant by positivism research philosophy but it can be used in examining numerous social problems and reality phenomenon such as subjective perspectives. When a great number of respondents are found to be considered for the research then it is very effective for the researcher to employ quantitative research method (Crano, et al., 2015). Again, Williams (Making sense of social research, 2003) implies that with this approach researcher can investigate or determine large amount of responses with the help of some pre-developed and efficient statistical methods. In this research, it is intended to investigate the impact of transformation leadership and organizational culture on the petroleum industry sector in Libya, so this will be an analysis of finding relationship among variables. Considering this, a quantitative research approach will be adapted using the Multifactor Leadership Questionnaire (MLQ- Form 6S) as described in section 3.4.1 to collect data on leadership styles and behaviour within organizations.

### **Research Strategy**

Research strategy defines the way of conducting a research. According to Saunders et al. (Research methods for business students, 2009), there are numerous approaches, which could be applied in conducting research such as case study, questionnaires survey, experimental study, action research, interviews, systematic literature review etc. Questionnaire survey is basically a structured way of collecting primary data. It is mainly a set of written questions (could be open ended or close ended) on which the chosen respondents have to answer based on their experiences or perceptions about the research context. The main advantages of questionnaire survey method is that researcher can collect a significant amount of data at a relatively low cost and it allows the researchers to gather quantitative data based on people's views, past experiences, values and attitudes towards a problem or a social phenomenon (Katsirikou, et al., 2012). The major limitation of this method is low response rate as the questionnaires are provided through email or post mail. Another limitation is the lack of follow up and clarifying any doubt or confusions which may arise after getting responses from the participants. Another quantitative approach is interviewing which could be face-to-face conversation or telephonic face-to-face. The main advantages of this approach is high response rate, high flexibility to the researcher, and reality (Kreuger, et al., 2006). On the other hand, the main limitations are this method is very much time consuming and has a great extent of possibility of bias and inconsistencies in the responses. Another significant method is case study method, which in general investigate and examine contemporary real phenomena through definite relevant examination of a set number of conditions, and their connections. Again, case study method empowers a researcher to nearly analyse the information within a specific research context (Kenna, 2015). The major benefits of case study method is that it allows a lot of detail to be collected that would not normally be easily obtained by other research designs and with the help of this method data can be collected when there is a lack of wider population or respondents. Moreover, the main disadvantages of case studies are in such cases collected data cannot be generalized to a wider population and it is tough to find out a particular cause from case studies. As this research intends to cover respondents from two oil companies in Libya to find out employee's view about their company's leadership styles and organizational culture so questionnaire survey method would be best fit for this research considering the sample size and time frame for the research.

### **Questionnaire design**

Questionnaire design can be referred as an itemized structure and outline, which demonstrates the entire research and there are different tools and stages that need to be implemented for data collection and gathering necessary information for the research (Brace, 2003). For this research, the following steps: Multifactor Leadership Questionnaire (MLQ- Form 6S) will be used as the tool for collecting the data needed for this research through questionnaire survey (see Appendix). According to Bass, et al. (Multifactor leadership questionnaire: Manual and sampler set, 2004), this questionnaire is a practical valid way to collect data on leadership styles and behaviour within organizations. Hinkin, et al., (A theoretical and empirical examination of the transactional and non-leadership dimensions of the Multifactor Leadership Questionnaire (MLQ), 2008) confirm that this Multifactor leadership questionnaire tool has been proven effective. It has been widely used by many researchers around the world.

In order to evaluate the perception about the organizational culture, Organizational Culture Valuation Tool (OCAI) will be used in this study (See Appendix A). Cameron, et al., (Diagnosing and changing organizational culture, 2013) established this Organizational Culture Valuation Tool (OCAI) by determining the Competing Values Framework (CVF) and this tool can be distributed over different types of organizational culture. Again, the OCAI tool consists of dimensions rate from management of employees within the organization and leadership of the organization (Cameron, et al., 2013).

The questionnaire survey is therefore split into three main parts;

### **Part – I - Personal Data**

This part aims at collating personal data about the participants to obtain an overview about the profile of the population sample such as; Organization name, position within the organization, gender, nationality, state of employment, level of education and age.

### **Part II - Multifactor Leadership Questionnaire (MLQ)**

This part consists of 21 attributes that are associated with the Multifactor Leadership Questionnaire (MLQ). A five Likert scale is used to distinguish every respondent's response to the overall questionnaire survey and each response will be rated in a scale of 1 (strongly agree) to 5 (strongly disagree). These scales will be used despite reservation that an odd number scale, favours people to those in the centre. An even number scale would be more decisive (Allen, et al., 2007)). Also, since people are averse to extremes on scales, and 5 points may mean only 3 in practice (See Appendix A).

### **Part III - Organizational Culture Assessment Instrument (OCAI)**

This part consists of six questions, which include; *Dominant Characteristics, Organizational Leadership, Management of Employees, Organization Glue, Strategic Emphases and Criteria of Success*. Each question has four alternatives, and the respondents would be expected to divide 100 points among these four alternatives depending on the extent to which each alternative is similar to your own organization, giving a higher number of points to the alternative that is most similar to their organization. For example, for question one (which explores the dominant characteristics of their organisation), if they think alternative A is very similar to their organization, alternative B and C are somewhat similar, and alternative D is hardly similar at all, then they might give 55 points to A, 20 points to B and C, and five points to D, while the total of all score must add up to 100 points for each question.

### **Data collection and data source: Sample Construction**

Libya is an oil rich country with at least six large companies currently operating such as; Waha followed by Arabian Gulf Oil, Zueitina Oil Sirte, Brega, OiLibya, and Mellitah Oil & Gas. In 1970, the Libyan National Oil Corporation was established to support the national economy through increasing, developing and exploiting the oil reserves and operating and investing in those reserves. It dominates Libya oil industry, along with a number of smaller subsidiaries, which combined account for around 70% the country's oil output. Of the National Oil Company (SOC), the largest oil producer is the Waha Oil Company (WOC), followed by the Arabian Gulf Oil Company (Agoco), Zueitina Oil Company (ZOC), Sirte Oil Company (SOC) Mellitah Oil & Gas. These companies are geographically dispersed in the centre, south, and west east and north of Libya. This research will be conducted targeting two of these companies (Waha and Mellitah) for the following reasons;

**Waha Oil Company** –Was established in 1956 and its first oil discovery was made in 1959 in Dahra field. Its activities include oil exploration, drilling, production and shipping. They manage oil for several companies through its production lines, which runs from the Sirte Basin to Es-Sider terminal and operates. It initially was formed of a consortium of foreign companies as stakeholders for 49% of its shares, while 51% were The Libyan National Oil company (NOC) shares. Following the sanctions imposed on Libya, the (NOC), became it owner till 2002. In 2004 the sanctions were lifted off Libya. In 2013, Libya's National Oil Corporation announced it was considering acquiring Marathon Oil's stake in Waha. This oil company is therefore the subject of this study due to its long terms establishment, its strategic geographical location and its success.

**Mellitah Oil & Gas Company** - Was established in 2008 as a result of an agreement between National Oil Corp. and Eni North Africa, Eni Oil. This Agreement included six other agreements, ranking Mellitah as the biggest gas and oil Company in Libya by producing 600,000 equivalent oil barrel/day, Crude Oil, Natural Gas, Condensed Gas: Propane, Butane and Nafta in addition to a daily production of 450 tons of Sulphur. Mellitah also has several onshore fields spread across the country, a network of onshore pipelines of various sizes extended for thousands of kilometers. This offshore export Line is considered to be the first link between Libya

and Europe. This oil company is therefore the subject of this study because it is relatively new when compared with Waha, its links with Europe, its size and prestige on the region.

Structured questionnaires will therefore be directed to these companies for the purpose of this research. In order to determine the role of transformational leadership and the impact of organizational culture on the operational performance and productivity of the organisation 140 questionnaires will be distributed. Ideally a sample will be chosen randomly so that it could control bias (Flynn et al, 1990; Saunders et al, 2009). Bryman, et al.,(Business Research Methods Oxford, 2015) said that simple random sampling represents a subgroup of a statistical people where each member of the subgroup has the equal chance of being selected. This has not been adopted in this study. Instead, Convenience sampling methods have been employed. Bryman, et al.,(Business Research Methods Oxford, 2015) argued that convenience sampling can be used when under pressure to achieve accessibility or proximity. In this situation, convenience sampling involves selecting the most convenient individual(s) to act as respondents. The convenience sample includes the individuals, who are ready to share and who have met the criteria to contribute in the research (Schuster, et al., 2005). This research adopted convenience sample due to easy to obtain participant and it is inexpensive or cheap sampling, however the weakness is difficult to recognise the participant if he or she has represented the real population (Wrenn, et al., 2007). In this case, the group selected are managers and some staff, who have good experience, due to their knowledge of the management, also they familiar with administrative routine. This is because the managers were judged to be in better position to explain and answer the questions, in the chosen questionnaire. The managers have a high level of the knowledge, experience, skills and decision-making. It was suggested that the samples should be genuine representatives of the people (Sekaran, et al., 2009; Walliman, 2011). This research favours being well informed and competent over being representative. Since the managers are known and identifiable, they can be reassured about confidentiality. A very high response rate may help to compensate for some loss of randomness. The sample construction for this questionnaire survey has been developed from the respondents from two different companies and distributed among the employees according to different managerial levels in a random way. Respondents will be asked to provide their responses regarding their experiences and perceptions about transformational leadership and organizational culture towards improving organization's performance. From the responses of employees, it would be helpful for the researcher to determine to what extent transformational leadership and organizational culture impact on the performance of a company. In order to find out the appropriate variables, which will determine the transformational leadership and organizational culture; several literatures have been reviewed in order to validate the approach in this research.

### **Data Analysis**

The data collated from the questionnaire surveyed will be manually analysed, rather than using the SPSS program due to certain calculations that could be complicated by the use of this software in order work out the transformational leadership style and organizational culture. The results will be presented in a form of tables and graphs.

Frequency analysis will therefore carried out to show the population Demographic Analysis, which includes (Institutions, Gender, Nationality, Age, Education, Current state of employment and Job level). The responses to the 21 attributes in the Multifactor Leadership Questionnaire- MLQ- 6S (as shown in Appendix B), will be clustered into groups of factors and associated sub-factors, in order to be able to plot the leadership spider diagrams and evaluate the respondent's leadership style. The Multifactor Leadership Questionnaire-MLQ- 6S includes three types of leadership styles (transformational, transactional and *Laissez-Faire*). The respondents gave different scorings to each of the factors; in view of the leadership styles, they are currently experiencing in their company. The factor ratings for each company were then compared in order to company with the most transformational learning style attributes.

Organizational Culture questionnaire (OCAI) results are analyzed to reveal the most dominating archetypes of organizational culture (are clan, adhocracy, market, and hierarchy culture) in their company compared with the participants' preferred culture. A plot in a form of a spider diagram to compare these results is produced, with the most dominant characteristics. The analysis of both company's performance will be compared and the relationship between the dominant leadership style the company's performance will be drawn.

## **III. Findings And Discussion**

### **Results and Analysis**

#### **a. Demographics**

In order to investigate the leadership styles and organizational culture in the petroleum sector in Libya, 140 questionnaires were distributed among the employees of two different petroleum companies in Libya, with an active follow up and constant reminders by the researcher through the departmental heads and direct contact with the employees to ensure a high rate of returned questionnaires. Accordingly 138 questionnaires were

returned, forming a response rate of 98.57 percent that have been used for the data analysis. Among the respondents, 70 respondents (51% of the respondents) were from Waha Oil Company and rest 68 respondents were employees of Mellitah Oil & Gas, Libyan Branch (49% of the respondents). The gender of the respondents from two different petroleum companies in Libya was strongly biased towards male employees (70% of them were male employees and 24% were female employees). It is not known if this gender distribution was representation of the companies as a whole. In case of the nationality of the participants, the composition was highly skewed towards local employees rather than employees from different countries other than Libya (94% Libyan, 3% European, 1% American and rest 1% were from other nationals). More than half of the respondents were between the 35 and 44 years old which characterizes the senior leadership level in those two companies. 27% of the respondents were within age of 25-34 years, while 53% of them were from 35-44 years and 18% of the employees were between 45-54 years. As mentioned earlier, the respondents for this study were the employees of petroleum companies of Libya, nearly 61% of the respondents have Master Level degrees, 22% have Doctorate degrees, 7% of the respondents have Bachelor level degrees and 7% of them were professors. Among the respondents 50% mentioned that they are full-time employed and 31% are in part-time employment in their companies. It is not known why this does not account for 100% of the respondents. Among the respondents, most of them are in high level and leadership position within their companies (36% are top-level managers, 35% are mid-level managers and 29% are in low-level management positions in their companies). As this study intends to analyze the leadership style of the petroleum companies in Libya, information about leadership styles of the companies will be well informed through braces by the self-interest of the respondents. Table 1 shows a summary of the demographic characteristics of the Waha Oil Company and the Mellitah Oil Company & Gas in Libya based on the survey results.

The samples' demographics data shows that a higher percentage of male participates from company 2 (83%) than those in company 1 (54%) with a larger female participation from company 1 (25 female employees) than company 2 (9), while over 90% of these employees are of Libyan origin. The majority of the participants are of ages between 25-44, while the majority in both companies hold a Masters degree. The results also show that around 20% of the employees from both companies are in Part-Time employment, although there is a larger number (43) of full-time participants from company 1 than those from company (26), with a fairly balanced percentage of participants from senior, middle and low-level management from both companies. This can therefore be considered as a representative sample that reflect the profile of employees that are likely to occupy leadership positions.

**Table 1: Demographic Comparison between Waha and Mellitah Oil Companies (N=138)**

Characteristics	Company 1		Company 2	
	Frequency	Percentage	Frequency	Percentage
<b>Gender</b>				
Male	38	54%	57	83%
Female	25	36%	9	13%
Prefer not to say	7	10%	2	2%
<b>Nationality</b>				
European	3	4%	1	1%
Libyan	64	91%	66	97%
American	1	1%	1	1%
Rest of the world	2	2%	0	0%
<b>Age</b>				
18 – 24 years old	1	1%	1	1%
25 – 34 years old	27	38%	10	15%
35 – 44 years old	26	37%	47	69%
45 – 54 years old	15	21%	10	15%
Over 55 years old	1	1%	0	0%
<b>Education</b>				
College level	2	2%	1	1%
Bachelor degree level	6	8%	4	5%
Master degree level	34	48%	50	73%
Doctoral level	18	26%	12	18%
Professor	8	11%	1	1%
Other	2	2%	0	0%
<b>Current state of employment</b>				
Part time	20	28%	23	34%
Full time	43	61%	26	38%
Prefer not to say	7	10%	19	28%
<b>Job level</b>				
Top level managers	31	44%	19	28%
Mid-level managers	22	31%	26	38%
Low level managers	17	24%	23	34%

**b. Discussion of findings from the Multifactor Leadership Questionnaire- MLQ- 6S**

Table 2 shows the respondents’ feedback to the seven factors associated with the transformational, transactional and Laissez-Faire leadership style (as described in Chapter 2 and shown in the Appendix A), whereby the respondents were asked about their own leadership styles by giving a Score Range 9-12 (of High), 5-8 (Moderate), 0-4 (Low) for their responses to the factors as shown in Table 2 below;

**Table 2 - Multifactor Leadership Questionnaire- MLQ- 6S**

Leadership style	Factors	Sub-Factors
<i>Transformational</i>	<i>Idealized Influence</i>	1. I make others feel good to be around me. 8. Others have complete faith in me. 15. Others are proud to be associated with me.
	<i>Inspirational motivation</i>	2. I express with a few simple words what we could and should do. 9. I provide appealing images about what we can do. 16. I help others find meaning in their work.
	<i>Intellectual stimulation</i>	3. I enable others to think about old problems in new ways. 10. I provide others with new ways of looking at puzzling things. 17. I get others to rethink ideas that they had never questioned before.
	<i>Individualized consideration</i>	4. I help others develop themselves. 11. I let others know how I think they are doing. 18. I give personal attention to others who seem rejected.
<i>Transactional</i>	<i>Contingent reward</i>	5. I tell others what to do if they want to be rewarded for their work. 12. I provide recognition/rewards when others reach their goals. 19. I call attention to what others can get for what they accomplish.
	<i>Management-by-exception</i>	6. I am satisfied when others meet agreed-upon standards. 13. As long as things are working, I do not try to change anything. 20. I tell others the standards they have to know to carry out their work.
<i>Laissez-Faire</i>	<i>Laissez-faire measures</i>	7. I am content to let others continue working in the same way as always. 14. Whatever others want to do is O.K. with me. 21. I ask no more of others than what is absolutely essential.

Table 2a represents the average frequency distribution of all the attributes associated with each factor shown in table 2a, given by the employees in both of the oil companies in Libya, and in response to the 21 questions in the (Multifactor Leadership Questionnaire - form 6S) as they appear in order in the questionnaire in Appendix B. These frequencies presented under (High, Moderate or Low) are a representation of the 0-4 scoring shown in Appendix A, whereby 0 and 1 are ‘low’, 2 is ‘moderate’ and 3 and 4 are ‘high’. However, the results reveal a high percentage of the frequencies of scoring (Table 2a) are clustered around the moderate scoring, with low percentages of frequencies around the ‘low’ and ‘high’ scoring. This could reflect on some reluctance on behalf of the participants to give a mid-range score rather than a high or a low score. The results also reveal that the ‘low’ and ‘high’ scores a fairly close, but there are some differences in the ‘moderate/ scores. The analysis of these results will therefore draw their comparisons by relying on the ‘moderate’ scores.

**Table 1a: Rating of seven factors of different leadership style.**

Factor	Company 1		Company 2	
	Rank	Score	Rank	Score
<b>Factor 1: Idealized Influence</b>	High	23%	High	34%
	<b>Moderate</b>	<b>59%</b>	<b>Moderate</b>	<b>47%</b>
	Low	19%	Low	19%
<b>Factor 2: Inspirational Motivation</b>	High	13%	High	33%
	<b>Moderate</b>	<b>70%</b>	<b>Moderate</b>	<b>49%</b>
	Low	17%	Low	19%
<b>Factor 3: Intellectual Stimulation</b>	High	13%	High	14%
	<b>Moderate</b>	<b>67%</b>	<b>Moderate</b>	<b>70%</b>
	Low	20%	Low	16%
<b>Factor 4: Individualized consideration</b>	High	17%	High	14%
	<b>Moderate</b>	<b>66%</b>	<b>Moderate</b>	<b>60%</b>
	Low	17%	Low	26%
<b>Factor 5: Contingent Reward</b>	High	13%	High	10%
	<b>Moderate</b>	<b>69%</b>	<b>Moderate</b>	<b>50%</b>
	Low	19%	Low	40%
<b>Factor 6: Management by exception</b>	High	11%	High	19%
	<b>Moderate</b>	<b>76%</b>	<b>Moderate</b>	<b>57%</b>
	Low	13%	Low	24%
<b>Factor 7: Laissez-faire Leadership</b>	High	23%	High	21%
	<b>Moderate</b>	<b>53%</b>	<b>Moderate</b>	<b>51%</b>
	Low	24%	Low	27%

Accordingly, the following observations were made;

**Transformational leadership behaviors** - The quantitative analysis, show found that in company 1, 23% of the respondents (16 responses) gave a ‘high’ rating to the idealized influence characteristics of transformational leadership, followed by 59% of the respondents rated ‘moderate’ in case of idealized influence, and lastly 19% of the respondents rated ‘low’ in case of idealized influence factor. These responses are quite similar to those of company 2 as - 34% of the respondents rated ‘high’ factor in case of idealized influence characteristics of transformational leadership, followed by 47% of the respondents rated ‘moderate’ in case of idealized influence, and lastly 19% of the respondents rated ‘low’ in case of idealized influence factor. This implies that the majority of the organization leaders feel that they moderately make others feel good to be around them, others have complete faith in them and feel proud to be associated with them, although there is more room for improvement, and that this feeling is higher in company 1 (59%) than in company 2 (47%). Again, it is found that 13% of the respondents (from company 1) rated ‘high’ in case of inspirational motivation characteristics of transformational leadership, followed by 70% of the respondents rated ‘moderate’ in case of inspirational motivation characteristics, and lastly 17% of the respondents rated ‘low’ in case of this characteristics of transformational leadership styles. Similarly, in case of company 2, 33% of the respondents rated ‘high’ in case of inspirational motivation characteristics of transformational leadership, followed by 49% of the respondents rated ‘moderate’ in case of inspirational motivation characteristics, and lastly 19% of the respondents rated ‘low’ in case of this characteristics of transformational leadership styles. These results imply that a greater percentage of the managers in company 1 (70%) than in company 2 (49%) feel that they have inspirational motivational characteristics, moderately employees averagely provide vision to their subordinates, while a greater percentage of the employees in company 2 feel that they have high have inspirational motivational characteristics and that is to they try to express with a few simple words what they could and should do, provide appealing images about what they can do and help others find meaning in their work. However, these are much smaller percentages than the moderate scoring, and therefore a firmer conclusion can be drawn upon the latter.

The result also show that for company 1: only 13% of the respondents rated ‘high’ in case of intellectual simulation characteristics of transformational leadership, whereas 67% of the respondents rated ‘moderate’ in case of this characteristics. Similar results are obtained for company 2 (14% of the respondents rated ‘high’ in case of intellectual simulation characteristics of transformational leadership, whereas 70% of the respondents rated ‘moderate’ in case of this characteristics). This indicates that employees in both companies encourage their peers and subordinates to a moderate extent in order to enable others to think about old

problems in new ways, provide others with new ways of looking at puzzling things, and get others to rethink ideas that they had never questioned before, with no tangible difference between the two companies. Again, it is found that 66% of the respondents rated ‘moderate’ in case of individualized consideration characteristics of transformational leadership, followed by 17% of the respondents who rated ‘low’ in case of this characteristics. Again, Similar results are obtained for company 2 (14% of the respondents rated ‘high’ in case of individualized consideration characteristics of transformational leadership, whereas 60% of the respondents rated ‘moderate’ in case of this characteristics). This implies that the employees in both companies pay moderate-level attention in other’s welfare and similarly pay moderate-level attention to others who are less active within the team.

From the above results, it can be depicted that averagely all the four characteristics of transformational leadership (idealized influence, individualized consideration, intellectual simulation, and inspirational motivation) were displayed ‘fairly often’. For company 1: The most frequently shown behavior was inspirational motivation (70%, 49 respondents chose this leadership behavior), followed by intellectual simulation (47 respondents; 67% of the respondents chose this leadership behavior), followed by individualized consideration (46 respondents, 66%), and finally idealized influence (59%; 41 respondents). In this company, employees believe that they are able to provide a vision, use appropriate symbols and images to help others focus on their work, and try to make others feel their work is significant. For company 2: The most frequently shown behavior was intellectual simulation (70%, 49 respondents chose this leadership behavior), followed by individualized consideration (42 respondents; 60% of the respondents chose this leadership behavior), followed by inspirational motivation (34 respondents, 49%), and finally idealized influence (47%; 33 respondents). Again, in this company employees encourage others to be creative in looking at old problems in new ways, create an environment that is tolerant of seemingly extreme positions, and nurture people to question their own values and beliefs and those of the organization.

**Transactional leadership behaviors:** From the above results, it can be depicted that on average, the 69% of the respondents gave a ‘moderate’ rating to ‘contingent reward’ followed by 13% who gave a ‘high’ rating, and 19% gave who gave ‘low’ rating. This pattern of response for company 1, is fairly similar to those given by the respondents in company 2. Whereby, 50% of company 2 respondents gave a ‘moderate’ rating to ‘contingent reward’ followed by 10% who gave ‘high’ rating and 40% was given to low rating. This implies that employees sometimes reward their subordinates and recognize their accomplishments, although it would be expected that the employees in both companies would tell their sub- subordinates of the job requirements that satisfy the standard performance of the job.

As for management by exception, the results for company 1 showed that 11% of the respondents gave a ‘high’, while 76% gave a ‘moderate’ rating, and 13% gave ‘low rating’. Similarly, company 2 respondents gave 19% to ‘high’ rating, 57% to ‘moderate’, and 24% to low rating. This implies that the employees in company 1 had a stronger belief than the employees in company 2 that their leaders are in full control of the entire operation of the company and in case of any discrepancies in the operation their leaders used to take preventive actions in order to solve the errors. This leadership style however, seem to be less dominant than the transformational leadership style.

**Laissez-faire leadership:** Again, from the above results it is found that typically, majority of the respondents exhibited laissez-faire leadership, whereby 23% rated ‘high’ Laissez-faire measures, followed by 53% ‘moderate’ rating and 24% of ‘low’ rating. Similar pattern of rating was given by company 2 respondents, whereby 21% gave a ‘high’ rating, 51% moderate and 27% gave ‘low’ rating. This indicates that the Laissez-faire leadership is less dominant by company 1 and 2 employees from both the transformational and transactional leadership style.

Table 2b shows the average scoring given to the factors associated with each of the leadership styles scored by the participants, which shows that the highest moderate scoring of the leadership style in company 1 is the transactional leadership at 72.5%, followed by the transformational style as 65.5% and Laissez-Faire at 53%, whereas the highest scoring leadership style for company 2 is the transformational style at 56.5% followed by the transactional style at 53.5% and Laissez-Faire at 27%.

**Table 2b: Factor consideration into leadership styles**

Leadership styles	Company 1		Company 2	
<b>Transformational</b>	High	16.5%	High	24%
	<b>Moderate</b>	<b>65.5%</b>	<b>Moderate</b>	<b>56.5%</b>
	Low	18.25%	Low	20%
<b>Transactional</b>	High	12%	High	14%
	<b>Moderate</b>	<b>72.5%</b>	<b>Moderate</b>	<b>53.5%</b>
	Low	16%	Low	32%
<b>Laissez-Faire</b>	High	23%	High	21%
	<b>Moderate</b>	<b>53%</b>	<b>Moderate</b>	<b>51%</b>
	Low	24%	Low	27%

It can therefore be argued that transformational leadership is the dominating style for company 2. While the Transactional leadership style is the dominating style for company 1.

#### **Main findings of leadership style and organizational culture within the Libyan Oil companies**

- a. Origination culture - The Clan culture is the more prevailing culture archetype in both companies. Although decrease in clan culture, and in increase in the market culture and adhocracy culture hierarchy preferred by Waha Oil Company (Company 1), while no strong indication of a preferred culture seem apparent for Malitah (Company 2).
- b. Leadership - A decrease in the leadership clan culture, adhocracy culture, and market culture is preferred by company 1, with an increase in the hierarchy culture, whereas there seems to be no important differences in the culture archetypes in company 2. Hence no change in cultural mix for this company is desired.
- c. Management of employees - There are no significant difference in the culture archetypes for both companies, or a desire for a preferred culture.
- d. Organizational Glue - There are slight differences between the 'existing' and 'preferred' conditions of company 1, hence no action for change in cultural mix is required for this company. However, there is preferences in company 2 for change towards a particular culture.
- e. Strategic Emphases - It is seen that these four cultural types are roughly similar with slightly difference in both 'now' and 'preferred' situation and so there is no need for change in cultural mix for this company.
- f. Strategic Emphases - The four cultural types for company 1 seem to be roughly similar with slightly difference in both 'now' and 'preferred' culture, but without an expressed desire for change in the cultural mix for this company. Similar patters apply to company 2.
- g. Criteria of success – Company 1 and Company 2 showed a preference towards a decrease in the Adhocracy culture and clan cultures, and an increase in the market culture and hierarchy.

#### **IV. Conclusion**

In conclusion, this study has achieved its aim by identifying investigating the leadership style and organisational culture of two Libyan oil companies.

While the literature identifies the transformational and transactional leadership styles to have a positive effect of organisational cultures, and that the transformational leadership style is most suited to the clan culture of the Libyan Oil industry. The findings for this study however confirmed that both companies' (Waha oil company and Mellitah Oil and Gas Company) culture is leaning towards a clan culture, while there is weak evidence that the Mellitah Oil and Gas Company has a transformational leadership style, with stronger evidence of transactional leadership style for the Waha oil company, which is not ideal for a clan culture. These findings therefore justify the reasons to why both of these companies have not performed to their best.

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