

The Effect of Leadership Style on Organizational Performance: Organizational Commitment as a Mediator Variable in the Manufacturing Sector of Yemen

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Abstract

Manufacturing firms in Yemen could be a significant source of the nation's income. As well as can creates many jobs opportunities for millions of Yemeni people. Therefore manufacturing in Yemen requires a lot of improvement in many sectors, such as employee's skill and quality control, as well as improving the commitment among the employees make the organizations become more efficient and effective, also the improvement could increase the organizational performance. The major objective of this research is to evaluate the impact of organizational examined the effect of leadership on organizational performance and organizational commitment as a mediator, focused in the manufacturing firms in Yemen, the study's area was limited only four areas, where the area is safe civil war. Also, the quantitative method was conducted based on the response of questionnaires in data collection, the research revealed there were 78.5% of the participants who successfully obtained the complete data, managers and deputies participated in this research. To examine the hypothesis, the EFA and CFA structural equation models were carried out using SPSS Amos 21.0. The results indicated significantly positive effect of leadership on the organizational performance and indicated the significantly the strength of an indirect or a mediating effect of organizational commitment on organizational performance.

Keywords: Leadership, Organizational commitment, Organizational performance, Mediator, Manufacturing; Yemen

1. Introduction

Nowadays, all major human resource activities are driven towards leadership's performance development and encourage employee's performance (Badran, and Khalifa, 2016; Ameen & Ahmad, 2012). Often, some workers get stuck in their daily work routine, by inadvertently forgetting the goal of the organization. It is important to make sure everyone in the organization to understand the vision and goals of this organization . A good individual performance can give a good impact for performance of an organization (Khalaf et al., 2016). Therefore, organizations have to capable to carry out performance management practices consistently referring to any policy requirements the most suitable to the character of the job as well as in accordance with the organization mission (Qoura, and Khalifa, 2016; Khalifa, & Abou-Shouk, 2014).

The manufacturing sector in Yemen faces a lot of issues and problems that hinder its development, as Yemen where compared to surrounding countries is considered poor (Aamer, 2015), and since there are no other researches that talked about this issue in Yemen, this research will investigate some of the elements that may help develop this vital sector for the prosperity and well-being of Yemen, also the economy has been largely. As we know, manufacturing is very important to improve the country's economy. The Manufacturing can be planted and fostered into an economic structure of the country (Ameen, Almulla, Maram, Al-Shibami, & Ghosh, 2018) . Also, manufacturing could be a significant source of the nation's income. As well as can creates many jobs opportunities for millions of Yemen people, not only for low-class jobs and for middle-class jobs, also for high skill workers (Haddad, Ameen, & Mukred, 2018).

In this paper, the focus will be on the manufacturing sector in Yemen, to find out how the leadership influencing performance in the organization and how the impact of organizational commitment as a mediator on the relationship between leadership and organizational performance (Al-Shamsi, Ameen, Isaac, Al-Shibami, & Sayed Khalifa, 2018). The leadership in the relationship between performances was explained in the previous research, also it was provided with detailed data and theories (A. H. Aldholay, Isaac, Abdullah, & Ramayah, 2018).

Understanding the challenges that manufacturer face can help businesses plan strategies and identify long-term chances. The weakness and the strengths of manufacturing could give the implications for the economy of the country. In Yemen, many problems to be faced by manufacturers, one of them is the export rate of the product is still very low. Where a country exports more than it imports, then automatically the value of income becomes higher. Due to the low export value, therefore manufacturing in Yemen requires a lot of improvement in many sectors, such as labor's skill and quality control, even improving the commitment among the employees make the organizations become more efficient and effective, also the improvement could increase the job's performance (Shamsi et al., 2018; Nusari et al., 2018; Mohamed et al., 2028). To get a good change in the organization, the leader need to change their view about leadership, they have to know how to become a good influence leader for their subordinates. Leaders are a key source of influence on organizational variables as well as productivity (Schein, 1992) Good leaders can be achieved with the desire and hard work, a good leader does not come by itself without any effort to form it (Jago, 1982). According to (Tahir, 2015) that there are three aspects to achieve success in the organization such as job satisfaction, high commitment also an effective leadership attitude (Al-Obthani & Ameen, 2018). An effective leader will provide the right support, guidance and direction to the subordinates, in order to achieve common goals. The satisfaction with the work produced by subordinates is trying to do their best to complete the work in order to reach the success, thus they are more committed to the organization (Voon, Lo, Ayob, & Ngui, 2011).

This research is the construct of leadership and how it is influence the organizational commitment and organizational performance in the condition of Yemen will be evaluated. The research objectives can be summed in the following points:

- To understand the relation between leadership on organizational commitment in manufacturing firms in Yemen.
- To investigate the relation between organizational commitment on organizational performance in manufacturing firms in Yemen.
- To investigate and examine the relation leadership on organizational performance in manufacturing firms in Yemen.
- To investigate the effect of leadership as a mediator on the relationship between leadership organizational performance

2. Literature Review

2.1 Leadership

Leadership is the most popular to be investigated by researchers, so there are so many definitions of leadership. The concept of leadership is a human theory that is constantly researched, and it continuously develops a characteristic of leadership (Horner). Explanation about leadership is a must for researchers, before discussing it in the further. Leadership is an individual process affecting other individual's groups in order to achieve the organization's goal, where leaders implementing their knowledge, skills and experiences what they have (A. Aldholay, Isaac, Abdullah, Abdulsalam, & Al-Shibami, 2018, Ameen & Ahmad, 2013). Other researcher called this definition of the process of leadership. It is important for leaders to understand the existence of leadership effects on performance of the organization.

There exist two leadership styles that are generally agreed upon in literature which has the most significant effect on performance; they are transformational leadership and transactional leadership (J. Rowold, 2014). The transformational leader must have an intellectual level, an inspiration for subordinates, and charisma (Bass B. , 2000); (Bass M. , 1990). There four elements of leadership (Department):

a. Leader, must have an understanding of their quality. It is important to note that the success of the leader depends on the subordinates.

b. Subordinates, the individual is different, thus it is very important for leaders to understand their subordinates. The leaders must understand the need of subordinates, and find out their emotions and motivations, also able to figure out the properties of each subordinate (Ameen & Kamsuriah, 2017).

c. Information, the existence of two-way communication between leaders and subordinates. The communications between them should be woven very well in order to get a good relationship.

d. Condition, leaders must be able to act well based on the existing judgment and conditions.

A condition will have a major impact on a leader's actions compared to the leader's traits. This shows that leadership based on condition more influential that leadership's traits.

2.1.1 Transformational Leadership

Transformational is the action between leader and subordinates to reaches higher inspiration for the organization. This style prioritizes positive changes in the organization's body including subordinates. The change is to make subordinates have the souls of leadership. Furthermore, will improve the quality of

subordinates to become more inspirational in the dedicated workplace (Ameen, Almari, & Isaac, 2018). This will link the relationship between leaders and subordinates, where leaders are a good example to them and will provide them the opportunity to develop their minds become a big person, which has greater responsibility for their work. According to (Burns, 1978), that transformational style will carry out how to manage the problems with other aspects of view, thus spurring them to be able to think more critically and move forward to achieving the goals in the organization.

2.1.2 Transactional Leadership

The focus of transactional is on the lead between leader and employees. Also, transactional by itself allows the subordinates to be able to meet their needs, as well as to reduce the anxiety and only focus on the vision of the organization, such as building high-quality and service and finding ways to reduce the cost of production. Transactional leadership is a relationship between leader and subordinate is a gratification exchange design and have a purpose to give maximum benefit to each individual in the organization. There are many criticisms of the leadership model because it causes the short-term relationship between leaders and subordinates. In this connection, allowing the process of gratification also can bring hatred between leader and subordinates (Yazeed, Ali, & Al- Shibami, 2018). Furthermore, criticism of the leadership by the researchers caused the model takes advantage of the approach to the leadership construction so as not to heed the important factors related to the situation and contextual organization (Beyer, 1999)(Yukl & Mahsud, 2010), (Yukl G. (-B.).

2.2 Organizational Commitment

The three models of commitment were proposed by John Meyer and Natalie namely Affective, continuance, and normative. The model's Allen and Mayer can increase the commitment and team's involvement in the organization, also support for greatest feeling among subordinates and leader, and satisfaction.

- a) Affective-commitment: In the article (Drucker) also defined that affective or moral commitment occurs when instantly unify their vision of the mission and by engaging their emotional side and have a sense of belonging that results in a responsible attitude. In other words, if the leader or subordinates enjoying their work, the feeling of satisfaction with the work by both of them will increase their level of effective commitment to the organization.
- b) Continuance-Commitment: Calculative or continuance commitment will be appearing when subordinates and leader's base relationships with organizations on the basis of the benefits they receive, such as the wages or health benefits they receive, will disappear once they leave the organization.
- c) Normative-Commitment: Happens when subordinates and leaders are tied to the organization in accordance with existing rules and norms. These individuals value obedience, cautiousness, and formality (Meyer & Allen, 1997).

2.3 Organizational Performance

Performance is a sign of an organization's success, it can be defined in many different views. In process's view, performance is the achievement of the goal through the input process into the output (A. H. Aldholay, Abdullah, Ramayah, Isaac, & Mutahar, 2018 ;Ameen & Ahmad, 2014). There is relationship related to performance, namely the field of economy, work efficiency and the realization of results between the result obtained and the expected results (Abd. Jalani , 2013).

Consequently, the following hypothesis is proposed for the purpose of this research; they are:

H1: Leadership have direct impact on organizational commitment

H2: Leadership have direct impact on organizational performance.

H3: Organizational commitment have direct impact on organizational performance.

H4: Leadership have indirect impact on organizational performance through their impact on organizational commitment.

3. Research Method

3.1 Proposed Research Model

This research proposes a framework that shown in figure 1, includes independent variable presented by leadership, which is the variable of primary interest. Also, two dependent variables also were included in this framework; first, Organizational commitment as a mediator variable for the relationship between of leadership style and organizational performance.

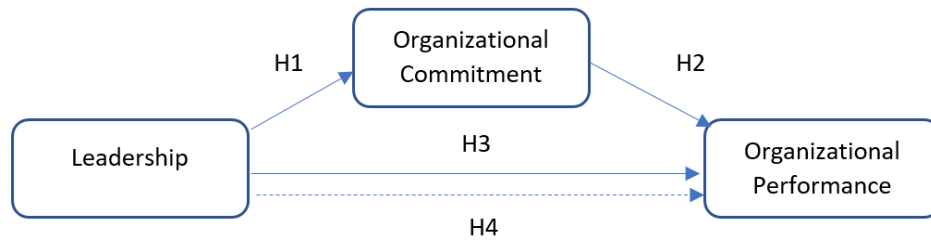


Figure 1: Research model

3.2 Data Collection

In this research, the quantitative research method is used, to examine the research questions and investigation. A quantitative method of inquiry gives the occasion to collect information from a large number of people and generalize the results (Creswell, 2009). The questionnaire was distributed to Yemen was in Arabic translation, because the most participants are Arabic native speaker (Aldholay, Isaac, Abdullah, Alrajawy, & Nusari, 2018; Mutahar, Daud, Ramayah, Isaac, & Aldholay, 2018; Alrajawy, Mohd Daud, Isaac, & Mutahar, 2016).

Data collection procedure that implements to investigate the purposes of this study was a questionnaire. The population of this study contains manufacturing firms listed on the Yemen manufacturing firms that will be obtained from the Ministry of Industry and trade in Yemen. There is more than 140 manufacturing firm that exists in Yemen now, based on the last statistical list from Yemen website. The target respondents of questionnaires will be permanent staff, it includes managers and deputy managers. In the questionnaire, there are 38 questions used to examine the relationship between variables in this research. Where are questions using the Likert scales with the points “strongly disagree” to “strongly agree” The total questionnaires were distributed among participants are 280 questionnaires.

The participants have participated are the deputies and managers in manufacturing in Yemen. From out of 280 questionnaires, a response from 240 questionnaires was returned, a response rate 85.7%. However, after input data processing, it was found that there are 20 incomplete sets of data, where the participants did not answer the whole of the question also there are 20 incomplete sets of demographic data only. The response rate was reduced to 78.57%.

4. Data Analysis and Results

4.1 Descriptive Analysis

According to the total answered questionnaires were 220 sets, there were 20 questionnaires are missing data. The percentage of missing data is 9.1%. From the data, there are 150 participants or 75% of the total participants are male, and only 25% are female. According to (Forum, 2015), Yemen has the lowest rate of working female among Middle East countries also in North Africa countries. In qualification items, it shows that 123 participants or 61.5% participants are bachelor degree, this is the highest percentage, followed with diploma degree 42 participant or 21%, meanwhile, there is 14 respondents or 7% are master degree and 11 participants or 5.5% are Ph.D. degree. It can be concluded that the majority of the executive qualification in manufacturing in Yemen have undergraduate level education.

Table 1: Demographic data of participants

Demographic Information	Details	f	%
Gender	Male	150	75
	Female	50	25
Age	20-35	66	33
	36-35	108	54
	46-55	24	12
	>55	2	1
	High School	10	5
Qualification	Diploma	42	21
	Bachelor	123	61.5
	Master	14	7
	PhD	11	5.5
Duration of service in the current job	1-5 years	44	22
	6-10 years	57	28.5
	11-15 years	50	25
	16-20 years	47	23.5
	>20 years	2	1

Note: f= frequency; %= percentage

Furthermore, table 2 shows the mean value (average value) and the standard deviation (SD) for each variable in this research. SD measuring the variations data, and describes the variability of sample data. From the table below, it shows in leadership variable, the mean value is 3.6 out of 5, and SD is 0.71, according to the Likert-scale, it means the average of respondents is agree with leadership style. The value of SD from each dimensions of organizational commitment, range 0.62-0.848, and the mean values of each dimension are 3.6. In organizational performance dimensions, SD value is 0.7, and mean of each dimension are range 3.7-3.99. According to many researchers explained that there is no bad or good in standard deviation (SD), it is an indicator of the spread out of the data. Which means the data still can be used for research.

Table 2: Descriptive Statistics

Variable	Dimensions	Mean	SD	N
Leadership	Leadership	3.64	.713	220
	Commitment			
Commitment	Commitment_Aff	3.69	.848	220
	Commitment_Con	3.67	.627	220
	Commitment_Nor	3.65	.757	220
Performance	Perform_1	3.77	.731	220
	Perform_2	3.99	.780	220
	Perform_3	3.90	.717	220

Key: Commitment= Organizational Commitment; Performance= Organizational Performance; Commitment_Aff = Commitment Affective; Commitment_Con= Commitment Continuous; Commitment_Nor= Commitment Normative. Perform_1= Financial performance; Perform_2= Organizational performance; Perform_3= Organizational effectiveness; Mean = Average; SD= Standard Deviation; N= Total Sampels.

4.2 CFA (Confirmatory Factor Analysis)

In order to achieve the goodness of fit of the model, modification of the structure model have been conducted, according to the output of SEM-modification indices. In table 3 it shows the goodness of fit the model that exceeded the recommended value for many categories. The fitness indexes Chi-square (χ^2) from 447.185 became 376.247; $\frac{\chi^2}{d.f}=1.7$; CFI=0.962; RMSEA=0.057; SRMR=0.04. Furthermore, it shows that the value of GFI still not fit, which is less than the cutoff points 0.9. The chi-square value does not have an exact value, because of Chi-square is sensitive to a large number of samples, based on (Bentler & Bonnet, 1980), (Jöreskog & Sörbom, 1993) explained that is always the refusal by the chi-square of the model with a large sample. According to (Awang Z.), there are three indexes recommended for the researcher, since the indexes reported frequently in literature, which are RMSEA, GFI, CFI and $\frac{\chi^2}{d.f}$.

Table 3: Fit indices of the structural model

Fit Index	Result value		Recommended value	Cited	Comment
	Before	After			
χ^2	447.185	376.247	from as high as 5.0	Wheaton et al, 1977	Sensitive
d.f	224	219			
P-value	0	0	> .05		No fit
$\chi^2 / d.f$	1.99	1.7	< 5	Awang 2012	Fit
GFI	0.843	0.869	> .9	Awang 2012	No fit
AGFI	0.807	0.835	> .9	Awang 2012	No fit
CFI	0.946	0.962	≥ 0.95	Hu and Bentler, 1999	Fit
RMSEA	0.067	0.057	≤ 0.08	Hu and Bentler, 1999	Fit
SRMR	0.047	0.048	< 0.05	Byrne, 1998; Diamantopoulos and Sigauw, 2000	Fit

Note: Before= before modification model; after= after modification model; χ^2 =chi-square; d.f= degree of freedom; Parsimonious fit; GFI= Goodness of fit; AGFI= Adjusted goodness of fit; CFI= Comparative fit index; RMSEA= Root mean square error approximately; SRMR= Standardised root mean residual

In order to measure the divergent intensity, the AVE test was conducted. According to table 4, it shows that the AVE for each variable was higher from the recommended standard value >0.5. In table 4, reveals the reliability of Alpha for each variable in range 0.9, which is considered excellent. Also, Composite reliability result in range 0.91-0.95, it is fulfills the recommended value of CR >0.6.

Table 4: Loading, cronbach's Alpha, CR and AVE

			Loading	α (> 0.7)	CR (> 0.7)	AVE (> 0.5)
Leadership	LS	LS 3	0.913	0.9	0.6122	0.91604
		LS 2	0.854			
		LS 4	0.861			
		LS 8	0.717			
		LS 7	0.696			
		LS 10	0.672			
Commitment	Com_Aff	COMMIT4	0.897	0.73	0.74	0.9568
		COMMIT1	0.857			
		COMMIT3	0.904			
		COMMIT5	0.887			
	Com_Con	COMMIT6	0.822			
		COMMIT2	0.913			
		COMMIT8	0.762			
		COMMIT7	0.813			
Performance	Perform_1	PERFORM3	0.711	0.76	0.565	0.91145
		PERFORM4	0.659			
	Perform_2	PERFORM5	0.812			
		PERFORM6	0.821			
	Perform_3	PERFORM7	0.846			
		PERFORM8	0.769			
		PERFORM9	0.742			
		PERFORM10	0.636			

Note: $\alpha > 0.7$ = Cronbach alpha (calculated by SPSS tool); AVE = Average Variance Extracted greater (calculated by formula) ; CR = Composite reliability (calculated by formula). Formula $AVE = \lambda^2/n$; Formula $CR = \frac{\lambda^2}{\lambda^2 + (1-\lambda)}$

4.3 Structural Equation Model

According to the figure below, it has shown a good fit of the model by the fit indices and significant. It shown that the coefficients reflect the direct impact of organizational leadership, organizational commitment and organizational performance, also indirect impact of organizational commitment on organizational performance can be analyzed

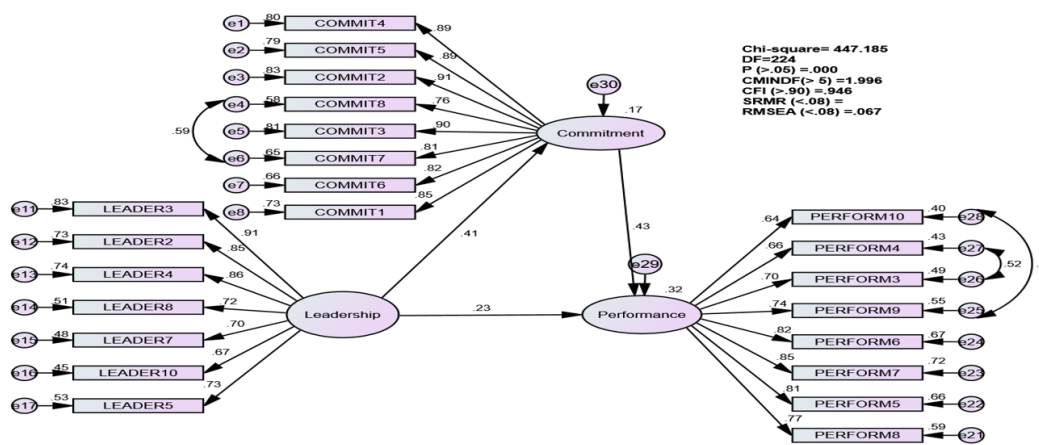


Figure 2: SEM final model

According to the structural model fit, it explained the relationship between variables and the mediating effect in this research. Evaluation of the effect of mediator variable, which is the organizational commitment, and connecting to the independent variable (leadership), and the dependent variable (organizational performance).

Table 6: Path analysis between variables

Variable	Path	Variable	Estimate	S.E.	C.R.	P value	Result
Commitment	<---	Leadership	0.441	0.074	5.985	0.001	Significant
Performance	<---	Commitment	0.298	0.05	5.91	0.001	Significant
Performance	<---	Leadership	0.176	0.053	3.332	0.001	Significant

Note: Estimate = Path coefficient; S.E. = Standard Error (t-value); C.R. = Critical ratio

Table 6 shows the path analysis between variables, it is shown that there is a positive relationship between leadership and organizational commitment significantly ($\beta=.441$), and there is positive relationship between leadership and organizational performance ($\beta=.0298$). Also, there is positive relationship between organizational commitment and organizational performance significantly ($\beta=.176$). It can be concluded that hypotheses H1, H2 and H3 are accepted, means that all variables have a direct impact on each other.

According to (Qaisar MU, 2012) in his study, results showed that organizational commitment (continual, normative and affective) independently and jointly predict the employee's performance. Also (Suliman A, 2000) in their study, investigate the organizational commitment and employee performance in three industrial units.

Referring to the result's squared multiple test, it explained the value of variance in organizational commitment is 0.166 (16.6%), and in organizational performance is 0.322 (32.2%). According to Cohen (Wuensch, 2009), $0.26 > R^2 > 0.13$ is consider in medium range, and R^2 in performance above 0.3.

4.4.3 Mediation Effect

By doing the evaluation on mediating variable means there is a mechanism to find out the effects of the casual variable to the outcome. Based on table 7, it shows the direct relationship between leadership and organizational performance significantly, with the coefficient value 0.31 without the mediator. In table8, it reveals a significant and positive relationship between variables.

Table 7: Direct effect leadership on organizational commitment without mediator

Variable			Direct Effect	Indirect effect	Total	P	Result
Performance	<-	Leadership	0.31	0	0.31	***	Significant

Table 8: The effect of mediation variable (direct and indirect)

Variable	Path	Variable	Direct Effect	Indirect effect	Total	P	Result
Commitment	<--	Leadership	0.445	-	0.445	***	Significant
Performance	<--	Commitment	0.3	-	0.3	***	Significant
Performance	<--	Leadership	0.174	0.133	0.307	0.001	Significant

Furthermore, leadership have a direct impact on organizational performance with standard value 0.445, also it shows the direct impact of organizational commitment on organizational performance, with coefficient value 0.3. The Relationship between leadership on organizational performance has indirect effect significantly with the coefficient value 0.133. Therefore, after the moderator variable enters the model, coefficient value in leadership on organizational performance decreased from 0.31 to 0.133. The test for mediator is only meaningful only if the direct effect is statistically significant (Awang Z.). According to (Alwin & Hauser) that the hypothesis relating to indirect or mediation effect in social science theory is (Awang, Ibrahim, Nor, & Razal, 2015) said in their paper, that there was direct effect significantly of independent variable on dependent variable. The existence of mediation by the organizational commitment on the relationship between leadership and organizational performance positively significant.

Hence, the output still significant, it means the organizational commitment is mediated in part or partial indirect (Awang, Ibrahim, Nor, & Razal, 2015). This result indicating that hypothesis four H4 is accepted, that leadership have indirect effect on organizational performance through their impact on organizational commitment.

5. Discussion

There are four research questions to attain the research objectives. To find out the answers, four research hypotheses are formulated and tested. First, the result of the study that indicated that leadership has a significant relationship and positive has a direct impact on organizational commitment in manufacturing firms in Yemen. Second, that leadership significant relationship and positively has direct impact on organizational performance, thus hypothesis H2, accepted. Third, that organizational commitment has a significant relationship and positively has a direct impact on organizational performance, thus hypothesis H3, accepted.

Organizational commitment plays a mediator role in the relationship between leadership and organization performance, thus leadership indirectly impact organization performance through their direct impact on organization performance. This research indicates that leadership styles have a positive effect on organizational commitment (affective commitment and continuous commitment). However, the findings revealed that leadership has a negative impact to normative commitment. According to (Vandenberghe, Mignonac, & Manville, 2015), that there is lack of attention to employee loyalty that is mandatory to the

organization it is called normative commitment, compared to the affective commitment and commitment continuance.

There are many objectives for the establishment of an organization. People who join the organization, both as leaders and employees, they were shared contribution for organizational performance. However, they have different responsibilities, where the function of a leader determines the course of an organization, and fully responsible to build the organization and build a commitment between the leader and subordinate, and subordinate with subordinate, and able to give a good influence, in the form of motivation, spirit and knowledge. Commitment is the most important way to achieve the success in organization. According to (Johnston, , Parasuraman, & Futrell, 1990)(Meyer & Allen, 1997), the high level of commitment possessed by each individual will lead to high level of work satisfaction, low levels of work stress, and lower desire to stop working in the organization. Organizational commitment has given contribution for indirect effect to organizational performance.

6. Implications

There are several crucial implications that find out in this research, for researchers and practicers. Furthermore, this research can give the contribution to government of Yemen, which is it helps to sharpen the implementation of standard good leadership in the manufacturing in Yemen. A significant relationship between variables, namely leadership and organizational performance need to jump up the quality of managers also deputies to make better decision related to economic growth in manufacturing.

6.1 Implications to the Practice

The manufacturing sector in Yemen has big potential for economic growth of the country and will give a positive impact on investment from local and international. According to (www.snono.net, n.d.) Currently, Yemen's manufacturing sector can provide about 47% of the GDP. With the utilization of the existence of a large port in the Port in Aden and Hodeida, where both have a large capacity and have good position on the red sea. According to (Facey, 1998), that Aden is one of the vital ports in the Red Sea, thus Aden becomes an economic heart of the Republic of Yemen. The ports which is provided by the government has helped attract international organizations to establish business in Yemen. Thus, it is providing benefits for manufacturers to expand business in various countries, especially in adjacent countries. Hence, it is a significant issue for managers in the manufacturing to apprehend matters relating to leadership in enhancing organizational performance and commitments.

According to the finding of the research, that it confirmed that leadership is a key predictor of the commitment, success, and organizational performance. Therefore, organizations should undertake develop and force their leaders with certain practices such as training, in order to improve their knowledge and implement it in their organization, it helps the leaders to perform their work better.

6.2 Implication to the Theory

The significant findings are handing beneficial in improving the research literature, in giving the evidence of the association between leadership, organizational commitment and organizational performance. Based on theories from many researchers that there is intercourse between transformational leadership on organizational performance (Howell & Avolio, 1993).

The diversity of the work world expanding very fast and the global economy spawns new technologies. It means for both leaders and subordinates need to enhance their knowledge and skills. Moreover, it needs to improve the personal performance as well as expanding experience in the global economy world (Covey, 1989; Covey, 2004; Jones et al., 2000).Based on the understanding and insight of performance, it can be concluded that this research has succeeded in developing some understanding of leadership to organizational performance.

The achievement of performance by subordinates can be achieved since the leaders inspire subordinates to expand their ability to succeed and train subordinates to face and solving the problems. Based on the results of the analysis, it was found that all transformational leadership has a positive relationship on organizational performance.

There are similarities between the findings of this research and the existing theory of leadership and organizational performance has been shown. This research added the knowledge about leadership and performance relationships in the manufacturing for the business and development organizational industry as the empirical research which was implemented in Yemen.

7. Limitations of the study

One of the limitations of this study is that the data gathered was cross-sectional rather than longitudinal in nature. The longitudinal method might improve the understanding of the associations and the causality between variables (Isaac, Abdullah, Ramayah, & Mutahar, 2017; Isaac, Abdullah, Ramayah, Mutahar, & Alrajawy, 2017; Isaac, Abdullah, Ramayah, & Mutahar Ahmed, 2017). Future research should be conducted to investigate the relationship between variables by conducting cross-cultural studies as recommended by previous studies (Isaac, Abdullah, Ramayah, & Mutahar, 2017a; Isaac, Abdullah, Ramayah, & Mutahar, 2017b; Isaac, Masoud, Samad, & Abdullah, 2016).

8. Recommendations

Organizations should increase spending on research and development in order to increase the organizational effectiveness (Osama Isaac, Abdullah, Ramayah, Mutahar, & Alrajawy, 2018; Osama Isaac, Abdullah, Ramayah, & Mutahar, 2018). In this research has been done by reviewing literature related to the variables used in this research and all the hypotheses were proven. The manufacturing firms need to be mindful of the impact of leadership and performance depending on commitment, and how leaders are. A leader should be really implemented in Transformational leadership, in order to influence subordinate performance, to increase the commitment to the manufacturing firms. Also, this study provides an opportunity to for future investigation. By investigating the correlation of leadership with instruments or variables that support a leader's performance, such as innovation, training, quality and job satisfaction. Furthermore, how these instruments can contribute for manufacturing sector in Yemen, and effect to the economic growth in the country.

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