

## **Determinants of Organizational Commitment towards Employee Performance among Libyan Banks**

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### **Abstract**

In the rapid changing business environment and the competition between organizations, employees' performance is the most critical issues for overall organizational performance in Libyan commercial bank. Therefore, the study was aimed to examine the effect of human resource management practice and leadership style on employee performance, and the mediating role of organizational commitment. The research was conducted under positivism research philosophy, deductive approach, explanatory research design, and quantitative method of data collection. Thus, a survey questionnaire was developed for collecting samples of 415 from the target population 18526. A stratified simple random sampling technique was employed for the selection of samples. The collected data were analyzed through SPSS V23 and Smart-PLS 3.3.3. A total of seven hypotheses were proposed where five hypotheses were revealed accepted, however, two hypotheses were rejected. The findings will help the bank managers, customers, employees, and government for policymaking and improving the employee performance in the banking sector in Libya. The study focused on only commercial banks in Libya and the study was carried out based on the quantitative methodology. Therefore, further, studies can be done collecting data from all types of banks and the mixed-method study can employ to have more insight into the issues.

**Keywords:** Determinants, Organizational Commitment, Employee Performance, Libyan Banks

### **1. Introduction**

In the rapid changing business environment and the competition between organizations, employees' performance which, effects overall organization performance, remains as one of the main concerns for organizations. Low employees' performance which can be caused by, for instance, lack of resources, poor work environment, stress, etc. can involve legal risks in some cases (Meng & Berger, 2019). To improve employees' performance, leaders in organizations need to establish good working, implement adequate policies and procedures, and adopt better human resource management practices (HRMP). A lot of literature reveal that the practices of human resource management and leadership style significantly influence the improvement of employees' performance; and also indicate a significant effect of HRMP on employees performance (Marwat et al., 2006; Khan & Nawaz, 2016), and overall organizational performance. However, the previous studies dedicated to the effect of HRMP and leadership style on employees' performance in African nations like Libya are lacking compared to those dedicated to the U.S. and European nations, as well as Asian nations. Moreover, organizations in developing nations (e.g., African countries) disregard the use of HRM practices to confirm the effective performance of their staff. Due to lack of knowledge on implementing the HRM practices, some problems arise resulting in the waste of time, financial costs, and delay in completing the transactions faster and better.

It is the understanding of the dynamics of markets among organizations and their managers that results in the adoption of human resources as a proactive measure. Based on this, Pfeffer claimed that managers consider individuals in their organization as the most valuable strategic resources (Cooke et al., 2021). To put it more succinctly, Human resources in organizations having long-term objectives are invariably re-evaluated through the Human Resource Management (HRM) through adding value to them. It has been established that more attention has been given to HRM in recent times, especially as regards the effect of its practice on the performance of an organization and employees' attitude in the context of the third world.

In Libya, only a few studies have looked into the impact of HRMP and leadership style on training and job turnover, and worker's performance while overlooking organizational commitment in banks (e.g., Yasir et al., 2011; Gaafar, 2012; Abdul Hameed et al., 2014; Waqas et al., 2014; Uzma, 2015; Tabouli et al., 2016; Dukhan et al., 2017) which has a key role in linking the effect of human resource management practices employees' performance. The existing empirical research indicates that the nexus between HRMP and leadership style with employees' performance is not straightforward with mixed findings on the relationship between HRMP including training and employees' performance.

The effect of Organizational Commitment as mediating variable on the relationship between HRM Practices and leadership style with Employee Performance is discussed in the extant literature (Wright & Kehoe, 2008; Saleem, 2015; Mira et al., 2019; Khan & Nawaz, 2016). Naz et al., (2020) discuss the significance of Organizational Commitment to understand the effect of HRM Practices on Employee Performance. Moreover, a positive significant and direct relationship between style of leadership and Organizational Commitment is reported (Sušanĵ & Jakopeĉ, 2012;Yahchouchi, 2009). Nevertheless, there is a limited number of studies examining the influence of HRMP and leadership style on employees' performance through organizational commitment. Therefore, it is recommended to re-investigate these relationships into other services industries and contexts (Alazmi & Alenezi, 2020).

As a result, this study aims to fill a gap in the literature by investigating the mediating influence of organizational commitment on the link between HRM practices and leadership style on employee's performance in the Libyan banks. If the problem of low employees' performance continues, banks in Libya might lose their market share, important stakeholders like existing customers and new ones, and in some cases, banks might not be able to continue operating (Report, LCB, 2020). Noureldin, (2019) also indicated in the results of his study to the poor performance of employees in commercial banks, as a negative impact on the level of their performance and the level of services provided by them. As well as the study by Mathekoor, (2020) found that their low employee performance in the commercial banks in Libya due to management leadership which does not allow employees to participate in change processes. This study may, thus, benefit policymakers, researchers, practitioners, students, native and foreign entrepreneurs in the Libyan banking sector when it comes to information and knowledge on the relationship among the mentioned variables. Based on the above enumerated research questions, The purpose of this study was to examine the impact of human resource management practices (HRMP) and leadership style (LS) on employee performance (EPB) and intermediary organizational commitment (OC) in Libyan banks.

## 2. Literature Review

### Organizational Commitment

From a psychological point of view, Qaisar et al. (2012) Defined Organizational Commitment. In this sense, it is characterized as a psychological method of embracing the ideal of an organization, which urges individuals to tie themselves to an organization and work harder, and thus has a positive effect on the productivity and performance of the organization. Some previous studies have published findings indicating that organizational effort greatly contributes to achieving organizational goals and completing tasks in a short amount of time with minimal effort and minimal amount of effort. This is due to the fact that it motivates employees to work harder, or to be more involved in their work. Also, according to those research results, you can stay longer in each business and gain more experience and a superior level of ability. The result is increased productivity and productivity of the company (Salleh et al., 2013; Yeh et al., 2012). According to Rebecca (2013), organizational immersion is not only a means of connecting staff to organizational goals and goals, but also creates a sense of value and acceptance of these identified goals among employees. It is considered as a means of making staff happy to participate. Many efforts have been made on behalf of the organization to survive and maintain membership.

### Employees Performance

The performance stack of the employees depends on several factors. These include the in-time and the time-out of employees, the over timing, the time taken for breaks, the amount of work generated per hour along the

dedication towards the work (Gong et al., 2017; Pedulla, 2020). Absenteeism and other factors also contribute a lot towards the successful measurement of employee performance. The scorecard of the following is generated by the HRM team at the end, and the employees' salary and perks would be increased over time by the following method (Nica, 2016). The benefits of the employees, as far as the employee performance is concerned, are also told by the HRM team to the employees at the time of induction or training. The HR department can be considered as primary to the proper administration for the performance management within the system. A cooperative and educated HR team is a big asset to the organization for measuring the employee performance (Alagaraja & Shuck, 2015). The manager's performance should also be measured along with the performance of employees. The HR team also ensures proper communication between the managers and the employees for doing something better in regard to the fulfillment of the company objectives (Dall'Ora et al., 2016). The HRM department also communicates with the workforce as a whole or separately about the requirements and scores in relation to employee performance (Kaufman et al., 2021).

Notwithstanding, the main objective of the presence of administration in an organization is to ensure the achievement of goals for which the organization was created. In other words, the fundamental key to ensure and confirm the achievement of goals is to plan activities that would help in achieving these goals. This is by taking into consideration that to achieve performance in its best form, one must provide all materials, human and moral, requirements in parallel with paving the way to the administrative status conditions; in addition to providing information and performance-oriented defined standards. Therefore, the performance concept had several definitions, as a matter of fact. According to the previous concepts, performance "is a meaningful and functional behavior carried out by an individual to perform his job tasks according to certain standards of achievement". Many researchers and specialists have dealt with the impact of electronic human resources on performance, while these studies had confirmed that the integration of technology with the human resources department contributes to increasing the efficiency of human resource management processes.

Conversely affecting positively in the staff interaction through communication processes among them and on the other hand, in addition to the development of work procedures and the measures of the required skills, for either the Human Resources Management or all organization working individuals (Doz, 2020). The infrastructure for the electronic systems of human resources has an obvious effect on employees' performance efficiency. It is worthy to mention that the use of modern technologies in human resources management reduces the administrative costs resulting from individual operations from one side and reduces the period of polarization and recruitment from another side. Furthermore, the development of individual interaction with various activities such as determining the benefits and compensation package, and training through the internet and many other benefits related to the functions of the human resources management, therefore; the organization acquires many other benefits from using it as an example of these benefits.

### **Human Resource Management Practices**

It is not denying the fact that the global market has become unstable and more challenging making many organizations shift their focus to human resource practices. This is an attempt to overcome these challenges and achieve a competitive advantage that enables them to survive and deal with these challenges. In achieving the goals of an organization within the various departments and areas, human resource management is vital. This is because it enhances human resource practices (HRM) skills, commitment, synergy, knowledge and creativity Harter et al., 2002; Cania, 2014). Additionally, HRMP defines the behaviors and attitudes of workers to build the relationships among subordinates as well as between subordinates and the superiors within the organization. This invariably would motivate them to put additional efforts based on creativity and innovation and consequently supports the organization in achieving its goals (Tan & Nasurdin, 2011). Different human resource practices must be introduced as organizations meet up new developments and continuous change. This is with the view to raise worker satisfaction that would surmount different challenges and support the organization accomplish more success (Armstrong, 2006).

### **Conceptual Framework**

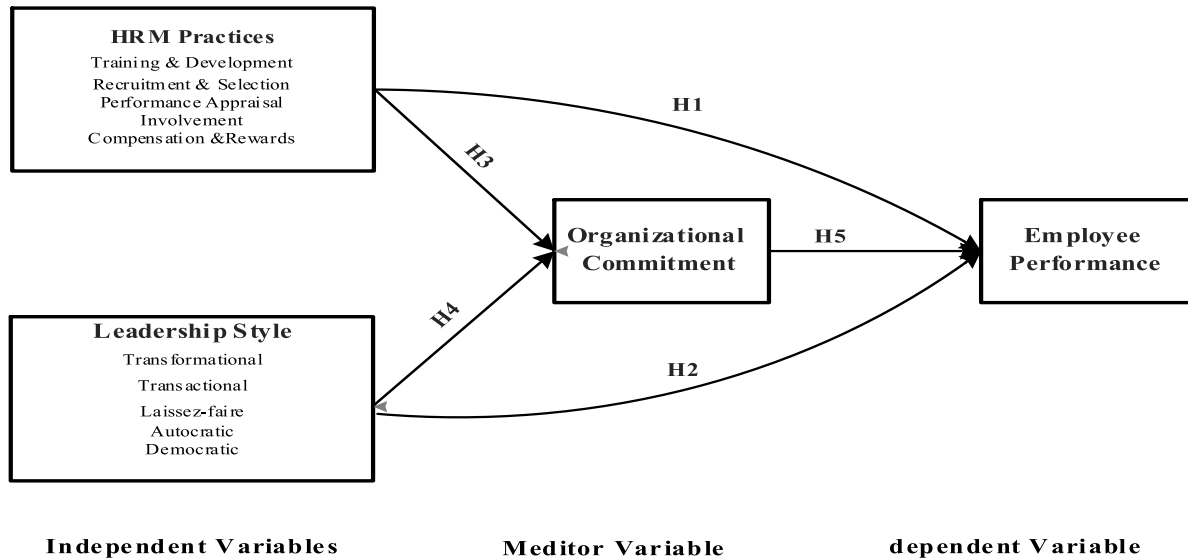


Figure1 Proposed Conceptual Framework

This study explored the factors affecting Employee performance (EP) in Libyan banks. Figure 1 presents the proposed conceptual framework of the study, which is based on the review of the literature. As shown in Figure 1, the direct effect of HRM practice (HRMP) and leadership style (LS) on employee performance (EP), and organizational commitment (OC) will be explored in the present study. In addition, Organizational Commitment have a direct effect on Employee performance. Organizational Commitment are further considered as variable, which mediate the relationships between independent variables (HRMP and LS) and dependent variable (EP). Therefore, the indirect impact of independent variables (HRMP and LS) on dependent variable (EP), which is mediate by Organizational Commitment , are also will be examined.

### 3. Research Methodology

The understanding research approach is crucial for a researcher in developing a research methodology to find a solution to a research problem. For the current research, a quantitative research approach is more appropriate as the exploration of factors affecting human resource management practice on employee performance will be designed and developed based on the existing theories. The broad research approach, which is described as the plan to research by Creswell, (2013), consists of the intersection of three factors, namely research paradigm, research designs, and specific research procedures. Creswell, (2013) illustrates the interconnections between three components. Therefore, the positivist paradigm is the general philosophical orientation within which the current study is developed. A correlational design will be applied by considering the following characteristics of a correlational design, which are in line with the research objectives and statistical feasibility to explore them. The primary data will be gathered from respondents personally. The target population of the current study consists of the employees in Libyan banks. The number of banks operating in Libya reached 19 banks (including the Libyan Dinar unit of the Libyan External Bank) until the end of the first quarter, 2020. These banks operate through 543 branches and banking agencies. The number of employees by about 18526 employees (Report, LCB, 2020). using probability sampling design (Stratified random sampling). Stratified random sampling from the nineteen banks, the author chooses big banks based on the number of employees. Therefore, the samples will be collected from ten banks, five of them are public banks and the other five are private. Considering all these concerns, it was decided to include 500 employees in the sample. The collected data was analyzed through SPSS V23 and Smart-PLS 3.3.3.z

**Table1** Number of employees of Libyan banks

| No | Name of bank | Type of bank | Number of employees | Percentage | Sample size |
|----|--------------|--------------|---------------------|------------|-------------|
| 1  | Al-Jumhouria | public       | 6768                | 36.53%     | 151         |
| 2  | Al-Wahda     | public       | 3182                | 17.17%     | 71          |

|       |                          |         |       |        |     |
|-------|--------------------------|---------|-------|--------|-----|
| 3     | Al-Sahari                | public  | 1610  | 8.69%  | 36  |
| 4     | National Commercial Bank | public  | 3060  | 16.51% | 68  |
| 5     | North Africa             | public  | 1615  | 8.71%  | 36  |
| 6     | Commerce and Development | private | 836   | 4.51%  | 19  |
| 7     | Al-ijma alarabi          | private | 430   | 2.32%  | 10  |
| 8     | United Bank              | private | 293   | 1.58%  | 7   |
| 9     | Al-Aman                  | private | 347   | 1.87%  | 8   |
| 10    | Al-waha                  | private | 385   | 2.07%  | 9   |
| Total |                          |         | 18526 | 100%   | 415 |

#### 4. Findings

##### Demographic profile of the respondents

Respondents are also categorized into three four groups according to their age range: Participants under 25, 25-35 years old, 36-45 years old, and 45 years old and older are asked to select an age range. The table indicates that only 2.89% (n=12) of the respondents are from the range of less than 25 years of age, 24.48% (n=102) are from 25 to 35 years, 62.41% (n=259) are from 36 to 45 years which is height in representation, and 10.12% (n=42) are above 45 years. The experience 5 to 10 years of experience (44.82%) followed by experience in between 11 to 15 years (32.53%). However, 10.12% of the respondents belong to the third level of experience, i.e., more than 15 years and only 2.89% of them have an experience of less than 5 years. The levels of academic qualification of the participants are also presented in the below table. The highest number of respondents (65.30%) has bachelor level of education followed by master's degree level (16.87%), high school level (6.75%), and professional degree level (4.82%). The samples also selected from both banks like public and private. However, the larger number of respondents were from public bank which is 87.99% (n=361) and lesser number were from private bank that is 13.01% (n=54).

**Table 2** Demographic profile of the respondents

| Gender              | Frequency | Percent |
|---------------------|-----------|---------|
| Male                | 269       | 64.82   |
| Female              | 146       | 35.18   |
| Age                 | Frequency | Percent |
| Less than 25        | 12        | 2.89    |
| 25 to 35            | 102       | 24.58   |
| 36 to 45            | 259       | 62.41   |
| more than 45        | 42        | 10.12   |
| Years of experience | Frequency | Percent |
| less than 5 years   | 24        | 5.78    |
| 5 to 10 years       | 186       | 44.82   |
| 11 to 15 years      | 135       | 32.53   |
| more than 15 years  | 70        | 16.87   |
| Level of Education  | Frequency | Percent |
| High School         | 28        | 6.75    |

|                     |           |         |
|---------------------|-----------|---------|
| Bachelor's degree   | 271       | 65.30   |
| Master's degree     | 70        | 16.87   |
| PhD Degree          | 26        | 6.27    |
| Professional Degree | 20        | 4.82    |
| Bank Ownership      | Frequency | Percent |
| Public              | 361       | 86.99   |
| Private             | 54        | 13.01   |

### Convergent validity

Table 3 uncovered that the Average Variance Extracted (AVE) for each inert variable was bigger than the recommended worth of 0.5 (half), showing that on average, each develop could clarify the greater part of the variance to its estimating things. (Fornell & Larcker, 1981).

**Table 3** Internal consistency and convergence validity results

| Constructs/Items | F. L  | CA    | CR    | AVE   |
|------------------|-------|-------|-------|-------|
| AU               |       | 0.815 | 0.877 | 0.641 |
| AU1              | 0.841 |       |       |       |
| AU2              | 0.761 |       |       |       |
| AU3              | 0.813 |       |       |       |
| AU4              | 0.786 |       |       |       |
| CR               |       | 0.890 | 0.924 | 0.753 |
| CR1              | 0.876 |       |       |       |
| CR2              | 0.833 |       |       |       |
| CR3              | 0.844 |       |       |       |
| CR4              | 0.916 |       |       |       |
| DE               |       | 0.829 | 0.887 | 0.662 |
| DE1              | 0.816 |       |       |       |
| DE2              | 0.838 |       |       |       |
| DE3              | 0.844 |       |       |       |
| DE4              | 0.753 |       |       |       |
| EP               |       | 0.896 | 0.913 | 0.514 |
| EP1              | 0.771 |       |       |       |
| EP10             | 0.656 |       |       |       |
| EP2              | 0.759 |       |       |       |
| EP3              | 0.707 |       |       |       |
| EP4              | 0.826 |       |       |       |
| EP5              | 0.658 |       |       |       |
| EP6              | 0.718 |       |       |       |
| EP7              | 0.736 |       |       |       |
| EP8              | 0.658 |       |       |       |
| EP9              | 0.657 |       |       |       |
| IN               |       | 0.893 | 0.925 | 0.756 |
| IN1              | 0.856 |       |       |       |
| IN2              | 0.860 |       |       |       |
| IN3              | 0.883 |       |       |       |
| IN4              | 0.879 |       |       |       |

|     |       |       |       |       |
|-----|-------|-------|-------|-------|
| LF  |       | 0.819 | 0.878 | 0.645 |
| LF1 | 0.843 |       |       |       |
| LF2 | 0.824 |       |       |       |
| LF3 | 0.837 |       |       |       |
| LF4 | 0.700 |       |       |       |
| OC  |       | 0.921 | 0.936 | 0.646 |
| OC1 | 0.884 |       |       |       |
| OC2 | 0.753 |       |       |       |
| OC3 | 0.791 |       |       |       |
| OC4 | 0.733 |       |       |       |
| OC5 | 0.802 |       |       |       |
| OC6 | 0.802 |       |       |       |
| OC7 | 0.781 |       |       |       |
| OC8 | 0.870 |       |       |       |
| PA  |       | 0.781 | 0.859 | 0.604 |
| PA1 | 0.795 |       |       |       |
| PA2 | 0.781 |       |       |       |
| PA3 | 0.787 |       |       |       |
| PA4 | 0.745 |       |       |       |
| RS  |       | 0.811 | 0.876 | 0.638 |
| RS1 | 0.789 |       |       |       |
| RS2 | 0.771 |       |       |       |
| RS3 | 0.838 |       |       |       |
| RS4 | 0.796 |       |       |       |
| TA  |       | 0.840 | 0.893 | 0.675 |
| TA1 | 0.788 |       |       |       |
| TA2 | 0.836 |       |       |       |
| TA3 | 0.840 |       |       |       |
| TA4 | 0.821 |       |       |       |
| TD  |       | 0.778 | 0.857 | 0.600 |
| TD1 | 0.797 |       |       |       |
| TD2 | 0.731 |       |       |       |
| TD3 | 0.780 |       |       |       |
| TD4 | 0.788 |       |       |       |
| TF  |       | 0.886 | 0.921 | 0.746 |
| TF1 | 0.836 |       |       |       |
| TF2 | 0.830 |       |       |       |
| TF3 | 0.857 |       |       |       |
| TF4 | 0.928 |       |       |       |

Notes: CR: Composite Reliability; AVE: Average Variance Extracted; CA: Cronbach's Alpha

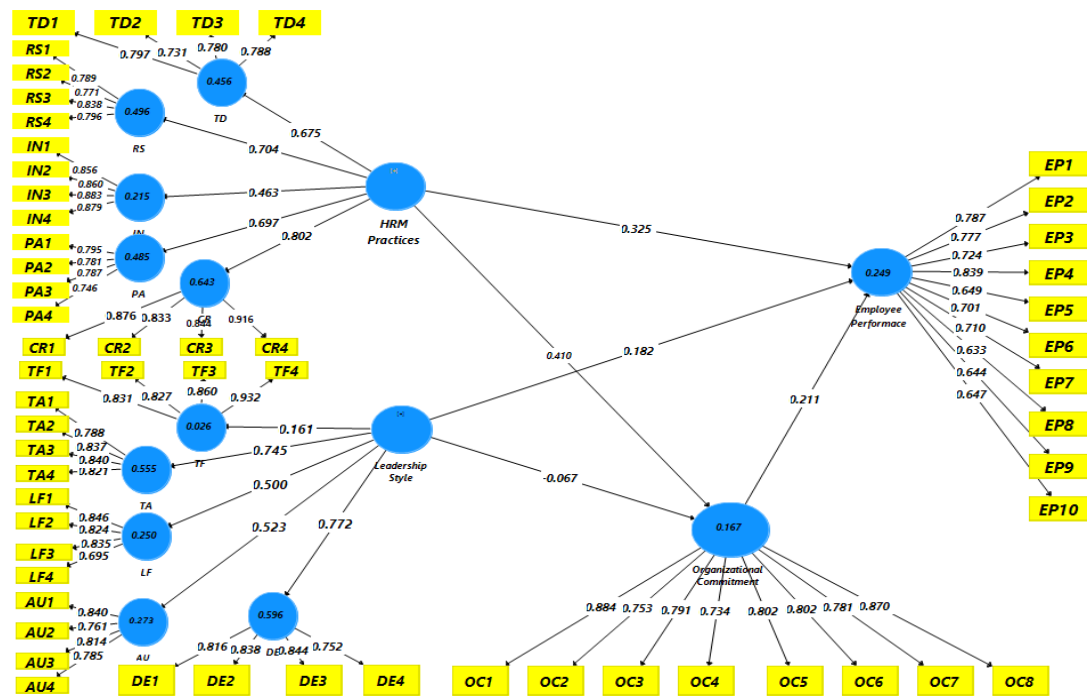


Figure2 Presented the factor loadings/outer loadings of each item calculated through PLS-Algorithm

### Coefficient of Determination (R2)

Table 4 This study's R2 results show that the R2 value of Employee Performance is 0.249, which is greater than 25%. In empirical research, exhibits a highly satisfactory prediction level. (Cohen, 1989). However, the R<sup>2</sup> value of Organizational Commitment is 0.167 which are above 12% indicates the moderate acceptable prediction level (Cohen, 1989).

Table4 R-square result

| Endogenous Variables      | R Square | R Square Adjusted |
|---------------------------|----------|-------------------|
| Employee Performance      | 0.249    | 0.244             |
| Organizational Commitment | 0.167    | 0.163             |

Substantial > 0.25; Moderate > 0.12, Weak > 0.02 (Cohen, 1989)

### Effect size (f2)

Table 5 below where HRM practice effect size on Employee Performance is small because the f2 values are in between 0.2 to 0.15, however the effect size of HRM practice on Organizational Commitment was medium. Similarly, the effect size of Leadership Style and Organizational Commitment on Employee Performance are revealed small effect. However, the effect of Leadership Style on Organizational Commitment has revealed no effect as the value is 0.004 which is less than 0.02.

Table5 F-square result

| Exogenous Variables       | Employee Performance | Organizational Commitment |
|---------------------------|----------------------|---------------------------|
| HRM Practice              | 0.116                | 0.200                     |
| Leadership Style          | 0.044                | 0.005                     |
| Organizational Commitment | 0.049                |                           |

Large: f2 effect size > 0.34; Medium effect > 0.14; Small: 0.0 > 0.01 (Cohen, 1988)



### Result of multicollinearity (Inner VIF)

Table 6 The maximum VIF value was 1.214, while the lowest VIF value was 1.012, indicating the lack of multicollinearity within independent variables.

**Table6** Result of multicollinearity – Inner VIF values

| Exogenous Variables       | Employee Performance | Organizational Commitment |
|---------------------------|----------------------|---------------------------|
| HRM Practice              | 1.214                | 1.012                     |
| Leadership Style          | 1.018                | 1.012                     |
| Organizational Commitment | 1.200                |                           |

*Predictive relevance ( $Q^2$  value)*

Because the  $Q^2$  values are greater than zero, the model determines a sufficient fit and strong predictive significance, as shown in Table 7.

**Table7** Result of predictive relevance.

| Endogenous Variables      | CCR<br>$Q^2$ (=1-SSE/SSO) | CCC<br>$Q^2$ (=1-SSE/SSO) |
|---------------------------|---------------------------|---------------------------|
| Employee Performance      | 0.152                     | 0.412                     |
| Organizational Commitment | 0.104                     | 0.536                     |

CCC=Construct Cross-validated Commuality, CCR=Construct Cross-validated Redundancy

### Direct effect (path coefficient) analysis

The highly significant path ( $t=7.991$ ) was found between HRM practice and Organizational Commitment as the value of  $\beta=0.410$  or 41% and  $p=0.000$  followed by second height significant path ( $t=5.201$ ) was between HRM Practice and Employee Performance as the value of  $\beta=0.325$  or 27% and  $p=0.000$ , the third significant path ( $t=3.857$ ) was between Organizational Commitment and Employee Performance as the value of  $\beta=0.211$  or 17% and  $p=0.000$ , the forth height significant path ( $t=2.554$ ) was between Leadership Style and Employee Performance as the value of  $\beta=0.182$  or 15% and  $p=0.011$ , Finally, the path Leadership Style and Organizational Commitment is not statistically significant due to the p-value is 0.239 that is more than 0.05.

**Table8** Path coefficient result

| Hypotheses   | OS/<br>Beta | LL     | UL    | T     | P     | Decision        |
|--|-------------|--------|-------|-------|-------|-----------------|
| H1 HRM Practice -> Employee Performance              | 0.325       | 0.118  | 0.354 | 5.201 | 0.000 | Significant     |
| H2 HRM Practice -> Organizational Commitment         | 0.410       | 0.297  | 0.505 | 7.991 | 0.000 | Significant     |
| H3 Leadership Style -> Employee Performance          | 0.182       | 0.041  | 0.267 | 2.554 | 0.011 | Significant     |
| H4 Leadership Style -> Organizational Commitment     | -0.067      | -0.177 | 0.057 | 1.178 | 0.239 | Not Significant |
| H5 Organizational Commitment -> Employee Performance | 0.211       | 0.070  | 0.277 | 3.857 | 0.000 | Significant     |

Significant:  $p < 0.05$

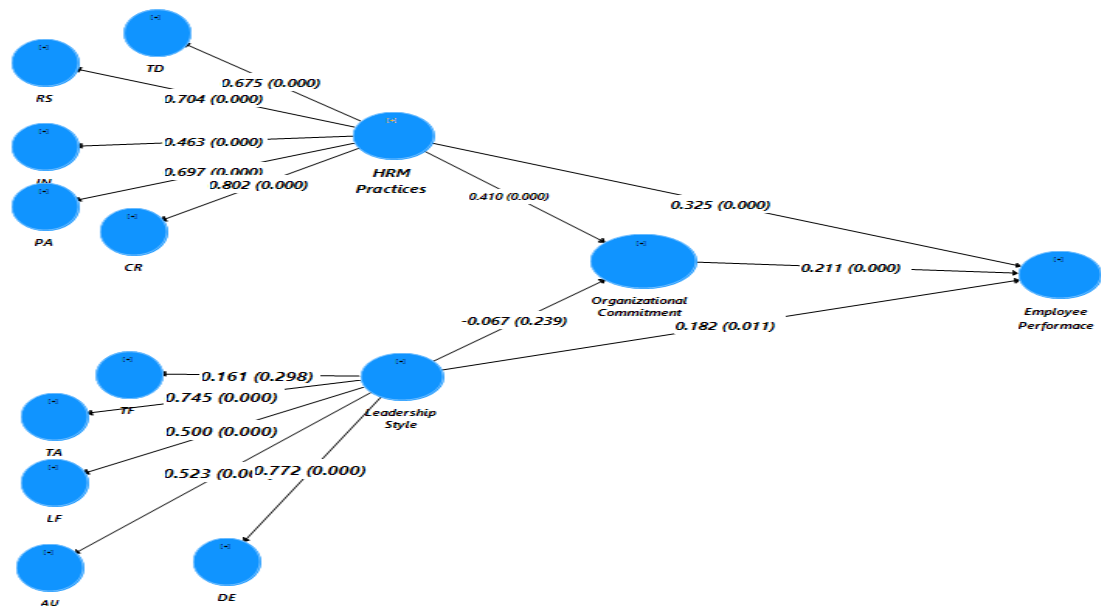


Figure3 Structural Model with t-values (Bootstrapping result)

#### Indirect (mediation) effect analysis

Table 9 The bootstrap results of indirect effects were displayed, and the bootstrap analysis was managed to highlight the indirect effects of organizational commitment. The effect of the independent factors on the dependent variables through organizational commitment was statistically significant. Table 9 shows the results of the mediation survey, which showed that acceptable one indirect hypothesis and rejected another hypothesis of the 2 mediation hypotheses were supported. the first path, HRM case > Organizational Commitment > Employee Performance was statistically significant with  $p = 0.006$  and correspondence = 0.070 or 7 percent and  $t = 2.784$ . Furthermore, the important intermediary links were important for all because both direct (see Table 4.12) and indirect (see Table 4.12) relationships are important, and therefore these connections are in part important. On the other hand, is a mediating route. Leadership Style -> Organizational Commitment -> Employee Performance found statistically not significant as the  $p$  value (0.383) was higher than 0.05 and the zero was in between LL and UL because the LL value (-0.010) was negative and UL value (0.008) was positive confirming no significant mediating effect.

Table9 Mediation result

| Hypotheses  | S/Beta | LL     | UL    | T     | P     | Decision        | Mediation    |
|---|--------|--------|-------|-------|-------|-----------------|--------------|
| HH 6 HRM Practice -> O.C. -> Employee Performance | 0.086  | 0.040  | 0.143 | 3.369 | 0.001 | Significant     | Partial      |
| HH 7 L. Style -> O.C. -> Employee Performance     | -0.014 | -0.041 | 0.009 | 1.124 | 0.262 | Not Significant | No Mediation |

Significant; \* $p < 0.05$

#### Summary of the hypotheses testing result

Table 10 below has given a summary of all hypotheses, five of which were approved and the remaining two were rejected.

**Table10** Summary of all hypotheses results

| No. | Hypotheses  | Results  |
|-----|---|----------|
| H1  | HRM Practice has a significant effect on Employee Performance   | Accepted |
| H2  | HRM Practice has a significant effect on Organizational Commitment  | Accepted |
| H3  | Leadership Style has a significant effect on Employee Performance   | Accepted |
| H4  | Leadership Style has a significant effect on Organizational Commitment  | Rejected |
| H5  | Organizational Commitment has a significant effect on Employee Performance  | Accepted |
| H6  | Organizational commitment has a significant mediating effect in between HRM Practice and Employee Performance     | Accepted |
| H7  | Organizational commitment has a significant mediating effect in between Leadership style and Employee Performance | Rejected |

### 5. Conclusion

The study conducted a comprehensive literature review and a thorough examination of several theories was conceptualized and applied in the study. Based on the literature review, the problem statement and theoretical framework were formed. Five research objectives and research questions were formulated leading to seven research hypotheses. five hypotheses were statistically significant, whereas two were not significant. The research model further explained 31% of the coefficient of determination on employee performance. This survey provided both theory and management implications based on the explanatory power of the survey model. Theoretical implications also provide a paradigm that links HRM Practices, leadership style, organizational commitment, and employee performance. this aspect lies in extending previous and current research for continuous knowledge sharing. It further highlights how HRMP, and leadership style affects employee performance with organizational commitment as mediating factor. Consequently, the managerial implications maintained that it is important for Libyan banks to develop policies that will support HRMP on employee performance to attain a competitive advantage in the banking institution in Libya. The study further argued that the effect of HRMP and leadership style on employee performance among Libyan banks would be strengthened if bank managers and policymakers support employees and bank workers. Overall findings from the study established the important employee is to the future of any organization – most especially the banking institution and they are instrumental and agents of change in any organization to maintain competitive advantage and attain service delivery. The findings further offer useful insight to employees, practitioners, and managers from private and public banks in Libya.

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