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Leadership skills Creating Performance: Evidence from Palestine Exchange

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ABSTRACT

This research paper aims to investigate the impact of top manager's leadership skills in terms of (communication, teamwork / training, and vision) on the performance of corporations listed on the Palestine Exchange (PEX). Also, it explores the impact of firm's size and firm's sector on the relationship between top manager's leadership skills and firm's performance. In order to achieve the previous objectives, we selected a population of 49 corporations listed on the PEX (4 top managers per corporation which is equal to 200 respondents). Questionnaires were distributed to 140 respondents (top managers). 132 questionnaires were received, which statistically constitutes (94.3%) of the study sample. The findings show that there is a strong positive impact of top managers leadership skills on performance as well as differences vary according to the firm size. This study recommends that the listed corporations on the (PEX) markets attract top managers with high level of leadership characteristics. It is also recommended other researchers to explore this research with different leadership characteristics.

INTRODUCTION

leadership components (communication skills, teamwork, training, and vision) are irresistible subject in business literatures. Many authors (Femi 2014; Khan & Rasheed 2015; Luthra and Dahiya 2015; Abdullah 2017; Bucata and Rizescu 2017; Khan and Siddiqui 2018) showed that these components have a positive influence on the performance of corporations.

Various authors showed similar impact of leadership skills on the performance of the corporation. For example, (Luthra and Dahiya 2015) explained that leadership is defined as inspiring and encouraging workers by meaningful and systematic sharing of data by communication skills. Also, Luthra and Dahiya (2015) suggested the following leadership communication skills: a) managerial level: Cultural understandings, listening patiently, team management, providing training facilities and mentoring. b) corporate level:

Maintain employee relations, communication during change and crises, simplifying the communication channels, good listing skills, as well as to maintain employee relations, media associations & image building.

Burnside - Lawry (2011) shows that top manager communication skills must consider a number of conditions such as a) A concise and precise formulation of the message to be understood easily and in full. b) Rapid transmission of the message. c) Fluency and assurance of reversibility of communication. d) Use of a common language of the transmitter and receiver. e) Simplifying the communication channels. f) Ensuring flexibility and adaptability of the system of communication to be used in any situation. g) Sending messages are well understood. h) Using common language to communicate.

Many authors show that there is an impact of teamwork and training on the performance of the corporation. For instance, (Alas et al. 2014) illustrates that there is a vital role of teamwork attitude and training on firm's performance. Moreover, (Manzoor et al. 2011; Abdullah 2017) stated that teamwork activities have a positive impact on performance. Also, (Jones et al. 2007) illustrates that teamwork enables workers to provide constructive feedback, enhance workers skills and cooperate without any conflict between peoples. Also, Sarker et al. (2003) defines team trust concept as a trusted party is presumed to seek to fulfill policies, ethical codes, laws, and promises. Trust does not need to involve belief in the good character or morals of the other party.

Alie, Bean and Carey (1998) illustrated that teamwork is a tool of enhancing worker power utilization and potentially raising performance, because it can increase the output of workers through collaboration. Thus, employee who works in a team environment will become the standard for the firm. The previous literatures suggested the following constituents of teamwork attitude and training that will enhance the performance of the corporations (Alie, Bean and Carey 1998; Jones et al. 2007; Manzoor et al. 2011; Agwu 2015; Abdullah 2017). 1) high level of cooperation and coordination. 2) communication and coaching. 3) cognition, which is shared understanding among team members. 4) work culture. 5) continuously training. 6) high level of innovation and continuous improvement. 7) good working condition. 8) team responsibilities are well defined.

Khan and Siddiqui (2018) show that the components of vision are positively influence on the performance of a corporation. Also, (Wadhwa and Parimoo 1998; Khan and Rasheed 2015) show that vision is like a road map which shows the route a firm aims to take in enhancing its performance. Besides, many authors such as (Kantabutra and Avery 2010; Khan and Rasheed 2015; Khan and Siddiqui 2018) show that a leader should espouse a vision that offers a long-term perspective, the competitiveness environment and market share, prior strategic commitment with vision, strategic alliances, sustainability, building image by reputation, entering new markets, producing new products, future sustainability and the vision is met the capabilities.

Based on the above-mentioned discussions encourage us to explore the impact of top manager's leadership skills on the performance of corporations listed on the PEX market. The outcomes of this paper are expected to be used as a concrete proof that unveil the reality of the impact of high-quality leaders on decision outcomes. It is also expected to provide a model for decision makers in the PEX to encourage the Palestinian corporation to attract high score top manager's leadership skills.

1. LITERATURE REVIEW

There are various comprehensive literatures worldwide that discuss the impact of top manager's leadership skills and its components on the performance of organizations. Idris and Ali (2008) show that the success or failure of a group, an organization, or even an entire country rests on leadership. Femi (2014) shows that a relationship exists between effective communication skills and workers' performance, corporation performance, productivity and commitment. Banerji and Dayal (2005) define communication as a process that contains expressing, listening and understanding, these attributes have strong effect on the performance. Nebo et al. (2015) shows that there is a significant impact of effective communication skills on the performance of an organization. W. Banihashemi (2015) shows that communication is a significant

issue in mobilizing and directing the workers towards the achievement of the organizational objectives and support its performance.

Luthra and Dahiya (2015) show that top manager's communication skills and teamwork can motivate and inspire teammates to work harder and achieve organizational goals and team targets. Bucata and Rizescu (2017) illustrate that the communication, training, vision and teamwork are the most important variables that a company can implement for the formation of teams and achieving valuable performance. Alas et al. (2014) showed that the following variables (team work, team trust, firm vision and compensation & rewards) have a positive impact on firm's performance. In Indonesia, the study of Abdullah (2017) shows that there is a significant positive impact of teamwork and training on the performance. There is a significant positive effect of team trust on the performance. Agwu (2015) indicates that a significant relationship exists between teamwork, firm vision and performance.

Wadhwa and Parimoo (1998) demonstrates that vision significantly influences firm's performance. It is further seen that it's not just the formation of vision statement, but its content and implementation all are equally important. Khan and Siddiqui (2018) concludes that the attributes of vision such as sharing clarity and stability have compelling impact on an organization's performance. Moreover, Kantabutra and Avery (2010) show that visions that are concise, clear, future-oriented, stable, challenging, and inspiring are likely to bring better performance outcomes than visions without these characteristics.

Sussan (1995) indicated that quality process does not necessarily require new tools or equipment's, however it requires leadership that takes actions in problem solving and to understand the work process in depth. Caliskan (2010) shows that there is a positive association between top managers leadership score and operational performance in Turkish corporations. Igbaekemen and Odivwri (2015) showed that leadership impacts significantly on employee performance and participative leadership styles helps to improve performance among employee. Sussan (1993) stated that transformational leadership style in which the leader inspires the organization by profoundly effecting the follower's belief in what an organization should be, as well as follower's values. Hurduzue (2015) shows that there is a positive correlation between transformational leadership style and the performance of the organizations. Furthermore, (Tse et al. 2004) showed that the high score leadership leads to high accounting performance. The analysis of the previous literatures shows that there is a lack of exploring this issue from the reality of Palestine corporations. For this reason, this paper comes to provide evidence from listed corporation on the PEX.

2. HYPOTHESES

This paper explores the following hypotheses:

Hypothesis 1: There is no impact of the leadership skills of top managers (communication, teamwork & training, and vision) on the performance of the listed corporations on the PEX. Hypothesis one falls into three sub-hypotheses.:

H01-a: There is no impact of the communication of the top managers on the performance of the listed corporations on the PEX.

H01-b: There is no impact of the teamwork & training of the top managers on the performance of the listed corporations on the PEX.

H01-c: There is no impact of the vision of the top managers on the performance of the listed corporations on the PEX.

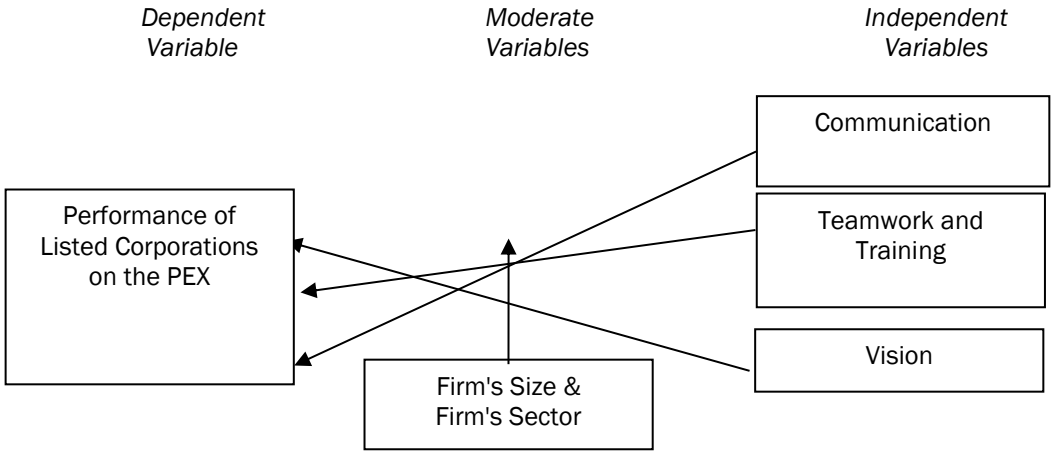
Hypothesis 2: There is no impact of firm's size and firm's sector on top manager's leadership skills and performance association of the listed corporations on the PEX. Hypothesis two falls into two sub-hypotheses. The two sub-hypotheses are:

H02-a: There is no impact of firm's size on top manager's leadership skills and performance association of the listed corporations on the PEX.

H02-b: There is no impact of firm's sector on top manager's leadership skills and performance association of the listed corporations on the PEX.

3. STUDY MODEL

Illustrated below the graphical presentation of the association between dependent and independent variables. Moreover, the moderate variables.



4. DATA AND METHODOLOGY

4.1 Research Design

This quantitative research paper examines the association between top manager's leadership skills and the performance of the listed corporations on the PEX. At the same time, this paper aims to examine the impact of the following moderate variables (firm's size and firm's sector) on the top managers' leadership skills and the performance association. To achieve the objectives, data was collected using a questionnaire.

4.2 Sample Size and Data Collection

The population of this study consists of top managers in 49 corporations that listed in the PEX such as (industrial, banking, insurance, service, and investment sectors). The population is 195 top managers. The sample size of this study consisted of 140 respondents from the Palestinian Corporations. 132 questionnaires were received, which statistically constitute (94.3%) of the study sample. This type of investigation requires exploiting (Cronbach's Alpha (reliability), Descriptive Statistics, Kolmogorov-Smirnov (Z-test), Pearson Correlation, Simple Linear Regression, Multiple Linear Regression, Mann-Whitney U (differences), and Kruskal-Wallis tests).

4.3 Survey Instrument

The survey instrument utilized in this paper is presented in Appendix 1. The survey consisted of four parts. The first part consisted of 7 items describe the characteristics of paper sample and accounting performance. The second part consisted of five items that measure top manager's perception of the availability or unavailability of communications skills. Also, the third part consisted of five items that measure top manager's perception of the availability or unavailability of teamwork and training leadership. Finally, part four consisted of five items that measure top managers' perception of the availability or unavailability of vision. The Likert scale was used for parts 2,3, and 4 (yes =1, and no =0). Where yes means that the item is available and zero is unavailable. To test the internal reliability of the measurement scales, this paper used Cronbach's Alpha. Table 1 shows that the Cronbach's Alpha is sufficiently high to ensure reliable results.

Table 1. The Outcomes of Cronbach's Alpha Test

Variable Name	*Number of Items*	*Cronbach's Alpha*
Communication Skills Variable	5	0.876
Teamwork and Training Variable	5	0.879
Vision Variable	5	0.864
Top manager's Leadership Themes	*15*	*0.962*

4.4 Research Variables

This part displays study variables that used for testing the hypotheses of this paper. This paper uses one dependent variable, three independent variables and two moderate variables. Below are the definitions of the study variables.

I- The dependent variable (firm's performance): This paper employs one dependent variable which is (Return on Assets: ROA). The measurement of ROA is explained as in the following statement:

$$ROA_{it} = \frac{NI_{it}}{TA_{it}}$$

Where:

ROI_{it}: Return on assets of firm I for period T.
NI_{it}: Net income of firm I for period T.
TA_{it}: Total assets of firm I for period T.

II- The independent variables (top manager's leadership skills components): The hypotheses of this paper require designing three independent variables. These independent variables are: 1- Communication skills. 2- Teamwork & training. 3- Vision; where the definitions of these independent variables are explained as in the following:

a) Communication skills variable is measured by designing five items scale. Where, the rate of scale (C) is equal:

$$C_{it} = \frac{(\#\ of\ yes\ items)_{it}}{5}$$

Where:

C_{it}: Top manager communication skills index of firm I for period T.
# of Yes Items: Yes, answer takes 1 value and no takes 0 value.

b) Teamwork & Training variable is measured by designing five items scale. Where, the rate of scale (T) is equal:

$$T_{it} = \frac{(\#\ of\ yes\ items)_{it}}{5}$$

Where:

T_{it}: Top manager teamwork & training index of firm I for period T.
# of yes items: Yes, answer takes 1 value and no takes 0 value.

c) Vision variable is measured by designing five items scale. Where, the rate of scale (V) is equal:

$$V_{it} = \frac{(\#\ of\ yes\ items)_{it}}{5}$$

Where:

V_{it}: Top manager vision index of firm I for period T.

# of yes items: Yes, answer takes 1 value and no takes 0 value.
We think that it is feasible to compute the whole score of leadership and examining the impact of leadership score [LS] on the performance of the listed corporations on the PEX. Where, the rate of whole leadership score (LS) is equal:

$$LS_{it} = \frac{V_{it}+T_{it}+C_{it}}{3}$$

Where:

LS_{it}: Top manager leadership skills of firm I for period T.

III- Moderate variables (firm's size and firm's sector); where the definitions of these moderate variables are explained as in the following:

a) The firm's size is measured by using the natural logarithm of the net sales. Mathematically, the firm's size is calculated as follows:

$$FS_{it} = [\text{Log}(NS_{it})]$$

Where:

FS_{it}: The size of firm I for period t.
NS_{it}: Net sales of firm I for period t.
Log: The natural logarithm.

The sample will be classified into two portfolios according the value of median of the natural logarithm of net sales. Where the values are above the median will be high size firms and the values are below the median will be low size firms. This procedure is for examining the sub-hypothesis ($H_{02\text{-}1}$).
b) The firm's sector is measured by classifying the firms into five portfolios (industrial, service, insurance, banking and investment). This procedure is for examining the sub-hypothesis ($H_{02\text{-}2}$).

5. ECONOMIC MODELS

This section comes to formulate the econometric models. Presented below are explanations around the hypotheses and its econometric models. The first hypothesis comes to investigate the impact of the leadership score of the top managers (communication skills, teamwork & training, and vision) on the performance of the listed corporations on the PEX. The hypothesis is examined using model number 1.

$$ROI_{it} = \alpha_o + \alpha_1 C_{it} + \alpha_2 T_{it} + \alpha_3 V_{it} \quad \ldots\ldots (1)$$

Where:

ROI_{it}: Return on assets of firm I for period T.
C_{it}: Top manager communication skills index of firm I for period T.
T_{it}: Top manager teamwork & training index of firm I for period T.
V_{it}: Top manager vision index of firm I for period T.
α_o: Constant.
α_1: Top manager communication skills variable response coefficient.
α_2: Top manager teamwork & training variable response coefficient.
α_3: Top manager vision variable response coefficient.

Hypothesis one falls into three sub-hypotheses. Table number 2 shows each sub-hypothesis and its econometric model.

Table 2. Econometric models for testing hypothesis number 1

Sub-hypothesis	*Econometric Model*
$H_{01\text{-}1}$: There is no impact of the communication of the top managers on the performance of the listed corporations on the PEX.	$ROI_{it} = \alpha_o + \alpha_1 C_{it}$..... (2)
$H_{01\text{-}2}$: There is no impact of the teamwork & training of the top managers on the performance of the listed corporations on the PEX.	$ROI_{it} = \alpha_o + \alpha_1 T_{it}$..... (3)
$H_{01\text{-}3}$: There is no impact of the vision of the top managers on the performance of the listed corporations on the PEX.	$ROI_{it} = \alpha_o + \alpha_1 V_{it}$..... (4)

The second hypothesis of this paper provides evidence regards the impact of (firm's size and firm's sector) on the leadership components and performance relationship of the listed corporations on the PEX. This could be achieved by classifying the companies into two portfolios according to firm's size or to five portfolios according to firm's sector. For instance, hypothesis two falls into two sub-hypotheses. Table number 3 shows each sub-hypothesis and its econometric model. The adjusted R^2 will be used for ranking the relative influence of leadership components on the performance for high and low size corporations.

Table 3. Econometric models for testing hypothesis number two

Hypothesis	*Model*	*Portfolios*
$H_{02\text{-}1}$: There is no impact of firm's size on the (top manager's leadership skills and performance association) of the listed corporations on the PEX. .	$ROI_{it} = \alpha_o + \alpha_1 C_{it} + \alpha_2 T_{it} + + \alpha_3 V_{it}$ .....(5)	Firm's Size - High Size firms' portfolio. - Low Size firms' portfolio.
$H_{02\text{-}2}$: There is no impact of firm's sector on the (top manager's leadership skills and performance association) of the listed corporations on the PEX.	$ROI_{it} = \alpha_o + \alpha_1 C_{it} + \alpha_2 T_{it} + + \alpha_3 V_{it}$ .....(6)	Firm's Sector - Industrial. - Service. - Insurance. - Banking. - Investment.

6. RESULTS

This part describes descriptive statistics, normality, correlation matrix, hypotheses tests. Table 4 below shows the distribution of the study sample according to the position, academic rank, and respondent sector. Table 4 illustrates that 100% of the respondents are top managers. The survey reveals that 73.5% of the respondents are bachelor's degree holders, and 26.5% hold a master's degree or above. Table 4 also shows that regarding respondent's sector: 33.3% of the respondents are from industrial sector, 27.3% from service sector, 12.1% from insurance sector, 13.61% from banking sector, and 13.6% from investment sector. These findings prove that the selected sample is relevant to generalize the results of this paper.

Table 4. Descriptive Statistics of Respondents Characteristics

Variable Name	*Variable Dimensions*	*N*	*%*
Position	Top manager	132	100
	Non-top manager	0	0.00
	Total	132	100
Academic Rank	Bachelor	97	73.5
	Master or above	35	26.5
	Total	132	100
Respondents Sector	Industrial	44	33.3
	Service	36	27.3
	Insurance	16	12.1
	Banking	18	13.6
	Investment	16	13.6
	Total	132	100

6.1 Normality

Table 5 presents the outcomes of One-Sample Kolmogorov-Smirnov test (K-S test) of normality. The outcomes prove that the dependent and independent variables follow the normal distribution because Alpha is greater than 0.05. This result ensures that this paper can employ the parametric tests for exploring the hypotheses.

Table 5. The outcomes of one-sample K-S test of normality

Variable Name	*Kolmogorov-Smirnov Z*	*Alpha Value*
Return on Assets: ROA	1.019	0.25
Communication skills: C	0.876	0.36
Teamwork & training: T	0.965	0.43
Vision: V	0.934	0.41
Leadership Score: LS	0.675	0.38

6.2 Correlation Matrix

Table 6 shows the results of Pearson correlation test. The outcomes demonstrate a significant positive relationship between ROA and top manager's leadership score [LS] (the correlation coefficient 87.4% and significant at 0.01). After that, the table reveals significant positive relationship between ROA and the communication skills index (correlation coefficient 85.8% and significant at 0.01). As well, the table explains significant positive relationship between ROA and teamwork and training index (correlation coefficient 85.2% and significant at 0.01). Finally, the table reveals significant positive relationship between ROA and the vision index (correlation coefficient 85.8% and significant at 0.01). The previous findings proved that in Palestine, the high score of top managers leadership leads to success in achieving high profitability. The authors of this paper formulate concrete rule says that without exaggeration that polarization of qualified top manager with high score of leadership will put a firm to harvest market share and achieve high performance.

Table 6. The outcomes of Pearson correlation matrix

Variable	*ROA*	*C*	*T*	*V*
LS	0.847 **	0.994 **	0.992 **	0.988 **
V	0.809 **	0.974 **	0.967**	
T	0.852 **	0.984 **		
C	0.858 **			

Where: ROI: Return on Assets of firm I for period T, C: top manager communication skills index of firm I for period T, T: top manager teamwork & training index of firm I for period T, V: top manager vision index of firm I for period T, and LS: top manager leadership Score.

** Significant at 0.01, * significant at 0.05

6.3 Hypotheses Outcomes

This part comes to examine the two hypotheses. Presented below are the findings of the hypotheses.

6.4 Examining Hypothesis Number One

Table 7 displays the summary statistics of the OLS, which examines the first main hypothesis. The First main hypothesis comes to examine the impact of the leadership score of the top manager (communication skills [C_{it}], teamwork & training [T_{it}], and vision [V_{it}]) on the accounting performance [ROA_{it}] of the listed corporations on the PEX. The statistics of the collected data points out that there is a positive impact of the top manager's leadership score on the performance. Therefore, the value of R^2 is 0.754 and the computed F-value 130.8 is statistically significant at 0.01. Also, the outcomes of the OLS point out the following findings:

- There is a positive impact of the top manager's communication skills score on the performance of these corporations. Also, the C_{it} response coefficient [α_1= 0.710] is positive and statistically is significant at 0.01. This result proves that the high score of leader's communication skills leads to success in achieving high profitability.
- There is a positive impact of the top manager's teamwork & training score on the performance of these corporations. Also, the T_{it} response coefficient [α_2= 0.259] is positive and statistically is significant at 0.01. This result proves that the high score of leader's teamwork and training leads to success in achieving high performance.
- There is a positive impact of the top manager's vision score on the performance of these corporations. Also, the V_{it} response coefficient [α_2= 0.392] is positive and statistically is significant at 0.01. This result proves that the high score of vision leads to success in achieving high performance.

Table 7. The outcomes of the [OLS] for testing the impact of the top manager's leadership score on the performance: the PEX.

$$ROI_{it} = \alpha_o + \alpha_1 C_{it} + \alpha_2 T_{it} + \alpha_3 V_{it}$$

Constant α_o	α_1 *Coefficient*	α_2 *Coefficient*	α_3 *Coefficient*	*Correlation Coefficient R*	*R Squared*	*Adjusted R Squared*	*F Statistics*
-0.24 ** (-10.97)	0.710 ** (3.634)	0.259 ** (2.750)	0.392 ** (2.893)	0.868	0.754	0.748	130.8 **
The Estimated Equation: $ROI_{it} = -0.24 + 0.710\, C_{it} + 0.259\, T_{it} + 0.392\, V_{it}$							

** Significant at 0.01, and * significant at 0.05.

Table 8 displays the summary statistics of the OLS, which examines the first sub-hypothesis of the first main hypothesis. This hypothesis comes to examine the impact of top manager's communication skills score [C_{it}] on the accounting performance [ROA_{it}] of the listed corporations on the PEX. The statistics of the collected data points out that there is a positive impact of the top manager's communication skills score on the performance. Therefore, the value of R^2 is 0.736 and the computed F-value 363.3 is statistically significant at 0.01.

Table 8. The outcomes of the [OLS] for testing the impact of the top manager's communication skills score on the performance: the PEX

$$ROI_{it} = \alpha_o + \alpha_1 C_{it}$$

Constant α_o	α_1 *Coefficient*	*Correlation Coefficient R*	*R Squared*	*Adjusted R Squared*	*F Statistics*
-0.237 ** (-10.773)	0.579 ** (19.060)	0.858	0.736	0.734	363.3 **
The Estimated Equation: $ROI_{it} = -0.237 + 0.579\ C_{it}$					

** Significant at 0.01, and * significant at 0.05.

Table 9 displays the summary statistics of the OLS, which examines the second sub-hypothesis of the first main hypothesis. This hypothesis comes to examine the impact of top manager's teamwork and training score [T_{it}] on the accounting performance [ROA_{it}] of the listed corporations on the PEX. The statistics of the collected data points out that there is a positive impact of the top manager's teamwork and training score on the performance. Therefore, the value of R^2 is 0.726 and the computed F-value 343.6 is statistically significant at 0.01.

Table 9. The outcomes of the [OLS] for testing the impact of top manager's teamwork and training score on the performance: the PEX

$$ROI_{it} = \alpha_o + \alpha_1 T_{it}$$

Constant α_o	α_1 *Coefficient*	*Correlation Coefficient R*	*R Squared*	*Adjusted R Squared*	*F Statistics*
-0.244 ** (-10.674)	0.580 ** (18.537)	0.852	0.726	0.723	343.6 **
The Estimated Equation: $ROI_{it} = -0.244 + 0.580\ T_{it}$					

** Significant at 0.01, and * significant at 0.05.

Table 10 displays the summary statistics of the OLS, which examines the third sub-hypothesis of the first main hypothesis. This hypothesis comes to examine the impact of top manager's vision score [V_{it}] on the accounting performance [ROA_{it}] of the listed corporations on the PEX. The statistics of the collected data points out that there is a positive impact of the top manager's vision score on the performance and profitability. Therefore, the value of R^2 is 0.655 and the computed F-value 246.9 is statistically significant at 0.01.

Table 10. The outcomes of the [OLS] for testing the impact of the top manager's vision score on the performance: the PEX

$$ROI_{it} = \alpha_o + \alpha_1 V_{it}$$

Constant α_o	α_1 *Coefficient*	*Correlation Coefficient R*	*R Squared*	*Adjusted R Squared*	*F Statistics*
-0.213 ** (-8.545)	0.555 ** (15.715)	0.809	0.655	0.652	246.9 **
The Estimated Equation: $ROI_{it} = -0.213 + 0.555\, V_{it}$					

** Significant at 0.01, and * significant at 0.05.

Table 11 displays the statistics of the OLS, which examines the impact of whole leadership score [LS_{it}] on the performance [ROA_{it}] of the listed corporations on the PEX. The statistics point out that there is a positive impact of the top manager's whole leadership score on the performance. Therefore, the value of R^2 is 0.717 and the computed F-value 329.905 is statistically significant at 0.01.

Table 11. The outcomes of the [OLS] for testing the impact of the top manager's whole leadership score on the performance: the PEX

$$ROI_{it} = \alpha_o + \alpha_1 LS_{it}$$

Constant α_o	α_1 *Coefficient*	*Correlation Coefficient R*	*R Squared*	*Adjusted R Squared*	*F Statistics*
-0.237 ** (-10.317)	0.581 ** (18.163)	0.847	0.717	0.715	329.905 **
The Estimated Equation: $ROI_{it} = -0.237 + 0.581\, LS_{it}$					

** Significant at 0.01, and * significant at 0.05.

6.5 Examining Hypothesis Number Two

Hypothesis 2 examines [top manager's leadership skills and performance] relationship elasticity due to firm's size and firm's sector moderate variables. This hypothesis comprises of two sub-hypotheses. The first sub-hypothesis [$H_{02\text{-}1}$] comes to explore the impact firm's size on the [top manager's leadership score and performance] relationship of the listed corporations on the PEX. This hypothesis will be examined by dividing the sample into two portfolios (high size firm's portfolio and low size firm's portfolio). Table 12 presents the econometric models for testing this sub-hypothesis:

Table 12. Econometric models for testing the impact of firm's size on the [top manager's leadership score and performance] relationship: the PEX

Firm size portfolios

High size firm's portfolio	Low size firm's portfolio
$ROI_{it} = \alpha_o + \alpha_1 CH_{it} + \alpha_2 TH_{it} + \alpha_3 VH_{it}$	$ROI_{it} = €_o + €_1 CL_{it} + €_2 TL_{it} + €_3 VL_{it}$

Where: α_o, $€_o$: The constants, α_1: Top manager's communication skills response coefficient for high size firms of firm I for period T, α_2: Top manager's teamwork & training response coefficient for high size firms of firm I for period T, α_3: Top manager's vision response coefficient for high size firms of firm I for period T, CH_{it}: Top manager's communication skills index for high size firms of firm I for period T, TH_{it}: Top manager's teamwork & training index for high size firms of firm I for period T, VH_{it}: Top manager's vision index for high size firms of firm I for period T, $€_1$: Top manager's communication skills response coefficient for low size firms of firm I for period T, $€_2$: Top manager's teamwork & training response coefficient for low size firms of firm I for period T, $€_3$: Top manager's vision response coefficient for low size firms of firm I for period T, CL_{it}: Top manager's communication skills index for low size firms of firm I for period

T, TL_{it}: Top manager's teamwork & training index for low size firms of firm I for period T, and VL_{it}: Top manager's vision index for low size firms of firm I for period T.

Table 13 displays the summary statistics of the OLS, which examines the first sub-hypothesis of the second main hypothesis. This hypothesis comes to examine the impact of firm's size on the top manager's leadership score-performance relationship. The statistics of the collected data points out the following outcomes: I) There is a positive impact of the top manager's leadership components on the performance for the high size firms. Therefore, the value of R^2 is 0.451 and the computed F-value 25.88 is statistically significant at 0.01. II) There is a positive impact of the top manager's leadership components on the performance for the low size firms. Therefore, the value of R^2 is 0.173 and the computed F-value 12.43 is statistically significant at 0.01. III) The outcomes show that the magnetic influence of top manager's leadership components on performance varies according to firm size. Table 13 prove that the role of top manager's leadership score in explaining the performance is more for the high size firms.

Table 13. The outcomes of the [OLS] for testing the impact of firm's size on the top manager's leadership score and performance relationship: the PEX

Firm size portfolios

High size firm's portfolio		Low size firm's portfolio	
$ROI_{it} = \alpha_o + \alpha_1 CH_{it} + \alpha_2 TH_{it} + \alpha_3 VH_{it}$		$ROI_{it} = €_o + €_1 CL_{it} + €_2 TL_{it} + €_3 VL_{it}$	
α_o Constant	-0.461** (-3.991)	α_o Constant	-0.203** (-8.751)
α_1 Coefficient	0.712** (4.322)	α_1 Coefficient	0.018** (4.147)
α_2 Coefficient	1.027 ** (6.467)	α_2 Coefficient	0.228 ** (3.412)
α_3 Coefficient	0.174 ** (5.127)	α_3 Coefficient	0.019 ** (3.124)
Correlation Coefficient R	0.672	Correlation Coefficient R	0.417
R Squared	0.451	R Squared	0.173
Adjusted R Squared	0.434	Adjusted R Squared	0.156
F Statistics	25.88 **	F Statistics	12.43 **
The Estimated Equation: $ROI_{it} = -0.46 + 0.71 CH_{it} + 1.03 TH_{it} + 0.17 VH_{it}$		The Estimated Equation: $ROI_{it} = -0.20 + 0.018 CL_{it} + 0.23 TL_{it} + 0.019 VL_{it}$	

** Significant at 0.01, and * significant at 0.05.

Table 14 displays the Mann-Whitney test for exploring the differences of top manager's leadership score between high and low size firms. The table also shows that there is a significant statistically differences in leadership average. Therefore, the leadership score and its components for high size firms is greater than the low size firms. For instance, the Mann-Whitney U for leadership whole score is equal 383, Z-value -8.273 at 0.00 significant level. And the mean rank of leadership score is 93.69 for high size firms and 39.31 for low size firms.

Table 14. The outcomes of Mann-Whitney U test for exploring the differences of top manager's leadership levels between high size and low size firms

Leadership Components	*Firm Size*	*N*	*Mean Rank*	*Mann-Whitney U*	*Z-Value*	*Sig.*
Communication Skills	High	66	95.23	282	-8.912 **	0.00
	low	66	37.77			
	Total	132				
Teamwork and Training	High	66	93.23	414	-8.331 **	0.00
	low	66	39.77			
	Total	132				
Vision	High	66	92.08	489	-7.895 **	0.00
	low	66	40.92			
	Total	132				
Whole Score	High	66	93.69	383	-8.273 **	0.00
	low	66	39.31			
	Total	132				

** Significant at 0.01, and * significant at 0.05.

Table 15 displays the summary statistics of the OLS, which examines the second sub-hypothesis [$H_{02\text{-}2}$] of the second main hypothesis. This hypothesis comes to examine the impact of firm's sector on the [top manager's leadership score and performance] relationship of the listed corporations on the PEX. The statistics of the collected data point out that the magnetic effect of leadership score on performance is arranged in descending order as the followings: investment sector, banking sector, service sector, insurance sector, and industry sector where the values of R^2 are 0.992, 0.986, 0.932, 0.878, and 0.789, respectively.

Table 15. The outcomes of the [OLS] for testing the impact of firm's sector on the top manager's leadership score-performance relationship: the PEX

Firm sector portfolios

Industrial firm's portfolio (I)		*Service firm's portfolio (S)*	
$ROI_{it} = \alpha_o + \alpha_1 CI_{it} + \alpha_2 TI_{it} + \alpha_3 VI_{it}$		$ROI_{it} = €_o + €_1 CS_{it} + €_2 TS_{it} + €_3 VS_{it}$	
α_o Constant	-0.132** (-5.010)	α_o Constant	-0.555** (-13.861)
α_1 Coefficient	0.606** (3.391)	α_1 Coefficient	0.325** (7.256)
α_2 Coefficient	0.789 ** (5.456)	α_2 Coefficient	0.2.391 ** (7.540)
α_3 Coefficient	0.346 ** (4.347)	α_3 Coefficient	0.1.543 ** (3.124)
Correlation Coefficient R	0.888	Correlation Coefficient R	0.966
R Squared	0.789	R Squared	0.932
Adjusted R Squared	0.773	Adjusted R Squared	0.926
F Statistics	49.709 **	F Statistics	147.288 **
Banking firm's portfolio (B)		*Insurance size firm's portfolio (IS)*	
$ROI_{it} = \alpha_o + \alpha_1 CB_{it} + \alpha_2 TB_{it} + \alpha_3 VB_{it}$		$ROI_{it} = €_o + €_1 CIS_{it} + €_2 TIS_{it} + €_3 VIS_{it}$	
α_o Constant	-0.502** (-21.965)	α_o Constant	-0.208** (-5.678)
α_1 Coefficient	0.324** (6.789)	α_1 Coefficient	0.124** (5.674)
α_2 Coefficient	0.451 ** (4.827)	α_2 Coefficient	0.474 ** (2.815)
α_3 Coefficient	0.566 ** (5.460)	α_3 Coefficient	0.178 ** (4.256)

Correlation Coefficient R	0.993	Correlation Coefficient R	0.937
R Squared	0.986	R Squared	0.878
Adjusted R Squared	0.984	Adjusted R Squared	0.869
F Statistics	73.13 **	F Statistics	10.46 **
Investment firm's portfolio (IT)			
$ROI_{it} = \alpha_o + \alpha_1 CIT_{it} + \alpha_2 TIT_{it} + \alpha_3 VIT_{it}$			
α_o Constant			-0.116** (-8.132)
α_1 Coefficient			0.345** (11.456)
α_2 Coefficient			0.678 ** (7.398)
α_3 Coefficient			0.225 ** (6.654)
Correlation Coefficient R			0.992
R Squared			0.984
Adjusted R Squared			0.983
F Statistics			22.78 **

** Significant at 0.01, and * significant at 0.05.

Table 16 displays the Kruskal-Wallis test for exploring the differences of top manager's leadership score among firms' sectors. This table shows that there is no a significant statistically differences in leadership average due to firm sector. Therefore, the leadership score and its components are same for all sectors. For instance, the Chi-Square for leadership whole score is equal 1.171, at 0.883 significant level.

Table 16. The outcomes of Kruskal-Wallis test for exploring the differences of top manager's leadership levels among firms' sectors.

Leadership Components	*Firm Sector*	*N*	*Mean Rank*	*Chi-Square*	*DF*	*Sig.*
Communication Skills	Industry	44	64.73	2.388 **	4	0.665
	Service	36	69.39			
	Banking	18	75.22			
	Insurance	16	57.13			
	Investment	18	64.67			
	Total	132				
Teamwork and Training	Industry	44	66.14	2.783 **	4	0.595
	Service	36	70.39			
	Banking	18	73.56			
	Insurance	16	55.13			
	Investment	18	62.67			
	Total	132				
Vision	Industry	44	71.23	1.624 **	4	0.804
	Service	36	63.50			
	Banking	18	67.22			
	Insurance	16	58.88			
	Investment	18	67.00			
	Total	132				
Whole Score	Industry	44	67.27	1.171 **	4	0.883
	Service	36	67.61			
	Banking	18	71.28			
	Insurance	16	58.00			

	Inve-stment	18	65.17
	Total	132	

CONCLUDING REMARKS

This study aims at examining the impact of top manager's leadership skills (communication skills, teamwork / training and vision) on the performance of the listed corporation on the PEX. It also examines the impact of (firm's size and firm's sector) on top manager's leadership skills and performance relationship. The performance in this paper is computed by using the Return on Assets [ROA] as dependent variable. The leadership variables are measured using weighted scores as independent variables. Thus, the previous objective of this manuscript has been achieved by designing a questionnaire aims at exploring this research issue from the opinions of the top managers. 132 questionnaires were returned. The study objectives thus are achieved by using several statistical methods (Cronbach's Alpha, Descriptive Statistics, Kolmogorov-Smirnov Z, Pearson correlation, simple linear regression, multiple linear regression, Mann-Whitney U, and Kruskal-Wallis tests). The study findings point out the following outcomes: A) there is a positive impact of the top manager's communication skills on the performance. B) there is a positive impact of the top manager's teamwork and training score on the performance. C) there is a positive impact of the top manager's vision score on the performance and profitability. D) there is a positive impact of the top manager's whole leadership score [LS_{it}] on the performance and profitability. E) There is a positive impact of the top manager's leadership components on the performance for the high and low size firms. And, the magnetic influence of top manager's leadership skills on performance varies according to firm size. The results prove that the role of top manager's leadership scores in explaining the performance is more for the high size firms. This result may be due to the lack of leadership skills in the low size firms. F) the leadership score and its components for high size firm are greater than the low size firms. G) there is no a significant statistically differences in leadership average due to firm sector.

Finally, this study emphasis on adopting the following recommendations for the general benefit: Firstly, it recommends the Palestinian corporations to attract top managers with high score of leadership characteristics. It then recommends other researcher to explore this research issue in Palestine to provide more concrete evidence about performance measures.

DATA AVAILABILITY STATEMENT

The data was used in analysis of the paper titled "Leadership skills Creating Performance: Evidence from Palestine Exchange" is available. And we are (the authors) ready and willing to provide you a set of the data upon the request.

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