

## The mediating role of authentic leadership between the relationship of employee training and employee performance

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### ABSTRACT

The primary objective of the study is to investigate the mediating role of authentic leadership between employee training and employee performance in Jeddah Islamic Port of Kingdom of Saudi Arabia based on the complementary congruity theory (CCT). The study is based on analyzing 212 respondents from Jeddah Islamic Port employees. The present study uses the smartPLS 3.2.8 statistical software to reach a positive and significant relationship between employee training, authentic leadership and employee performance. Furthermore, the study finds a mediating role of authentic leadership between the relationship of employee training and employee performance in Jeddah Islamic Port. The study also recommends that the port management should focus on employee training and authentic leadership practices to enhance the employee performance which lead to port performance. Moreover, the study suggests that future study should validate the current study framework in other countries especially in the context of government departments.

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## 1. Introduction

The seaports are considered important sectors that contribute effectively in supporting the national economy and its development. The port is the focal point for trade and industrial transitions between states and people; as they receive the largest proportion of exports and imports movements around the world (Jouili & Allouche, 2016). Jeddah Islamic Port is one of the most important ports in the Middle East used for commercial operations between the Middle East and the world (Rutter et al., 2018). It is occupying 10.5 square kilo meters, with 81 deep water quays with length of 11.2 km and draft reaching is around 16 meters. The Jeddah port is handling a large number of container vessels which is around 6500 TEUs. Furthermore, the port is handling all kinds of cargo services such as container terminals, ro-ro- cargo terminals, bulk grain terminals, bulk edible oil terminal, livestock terminal and general cargo terminal (Elentably, 2015). These kinds of cargo services presently cannot be handled properly without proper training of employees and leadership participation. The importance of training lies in the importance of working in Jeddah Islamic Port because of the connection with different services such as towing, hauling and rescue, the fire-fighting boats and naval special anti-pollution ship and establishing rafts, ships' guide, as well as a number of boats of docking, guidance, waste collection as

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well as float moving cranes which can carry 200 tons, and the monitoring of the movement of ships through maritime control tower equipped with the latest communications equipment and radar with (VTS) advanced system to serve and control ships' navigation (Kattuah, 2013). These issues have enabled the port from continuing attention to training programs to facilitate the efficiency of maritime operations to do operating requirements. There is no doubt that Jeddah Islamic Port offers different kinds of 15 training programs associated with marine, operational, safety, security, and English communication fields. Unfortunately, the effectiveness of training programs is insufficient to provide the desired results inside the Jeddah port (Elentably, 2015).

Along with employee training, the leadership of the Jeddah Islamic port plays a major role towards employee performance and port performance. However, leadership specially authentic leadership has had a contributing role in effectiveness of the employee training and the employee performance (Baron & Parent, 2015; Kiyani et al., 2013). Furthermore, according to Walumbwa et al. (2008) authentic leadership overlaps on modern leadership styles such as transformational, charismatic, servant and spiritual leadership. Besides, authentic leadership focuses on important things such as transparency, positivity, high moral standards (Gatling et al., 2016). In other study authentic leadership explained a process that draws from both positive psychological capacities and a highly developed organizational context, which results in both greater self-awareness and self-regulated positive behaviors of leaders and associates, fostering positive self-development (Avolio & Gardner, 2005). Thus, according to Avolio and Gardner (2005) authentic leadership not only develops leader (managers), it also develops the followers (employees). Therefore, the present study takes authentic leadership as mediating role between the relationship of employee training and employee performance. In other words, authentic leadership is considered in the present study that might play the influential link between the effectiveness of employee training and employee performance. Therefore, on this account we introduce the authentic leadership as mediating variable between the relationship of employee training and employee performance. In other words, the present study expects that authentic leadership would best explain the relationship between employee training and employee performance.

Furthermore, limited studies can be found on the mediating role of authentic leadership between the relationship of employee training and employee performance, especially, in context of seaport such as Jeddah Islamic port of Kingdom of Saudi Arabia. Moreover, the present study research framework is supported by complimentary congruity theory.

## **2. Literature Review**

In this section, we discuss the past studies to cover the concepts of present study variables and their relationships with each other.

### *2.1. Employee training and Employee performance*

The employee performance is defined as the degree of the completion of an employee's task, which reflects how to achieve the individual requirements of the job (Sparrowe et al., 2001). However, there are many factors which influence the employee performance such as satisfaction, motivation, stress, leadership, organizational commitment, organizational cultural, etc. Consequently, the proper use or investigation of employee antecedents can yield to higher employee performance. Besides, the present study reviews the relationship between employee training and employee performance.

The training is the activity aimed to develop the employee skills and deliver the updated information and knowledge achieved for the organization's objectives (Rodriguez et al., 2002). Moreover, training is one of the major keys to improve the level of employee's work efficiency and the performance which leads to higher productivity of the firms. Another explanation is that training is a planned work consists of the total of programs designed for the education of Human Resources and how to lead its current

high level of efficiency through the development and to improve its performance (Noe & Peacock, 2002).

Furthermore, the basis in the training process is delivering information and certain skills of a group of trainees by means of contact methods of training with a view to influence the behavior and career abilities, and that training also aims to give the individual knowledge, skill and behavior directly linked to, in turn, career, raising the level of productivity at work (Kraiger et al., 1993). However, training has considered major issue for many organizations in all sectors, as a result of the change of standards of performance in these organizations, which are no longer limited to the mere provision of service or product, but it went beyond that by ensuring the provision of quality to meet customer's needs and wishes therefore training has become an important issue and is the focus of many researchers and specialists in the field of modern management. Additionally, according to Al-qout (2017) training has multiple effects on the employee performance such as creasing the employee performance, strengthening the human relations, improving the employee attitudes, development of sense of belonging, loyalty to organizations, reducing the absent rate and turnover.

In respect of empirically investigation of employee training and employee performance, many researchers have found a positive inflectional role of employee training into employee performance (Elnaga & Imran, 2013). Asfaw et al. (2015) conducted a study in Ethiopia to investigate the relationship between employee training and development and found a significant and positive relationship between two variables. Another study conducted in Pakistan and found a significant influence of employee training and development on employee performance (Tahir et al., 2014). Therefore, on the basis of the above discussion, the present study hypothesis that employee training leads to higher employee performance, i.e.:

H<sub>1</sub>: There is a positive relationship between employee training and performance of employees in Jeddah Islamic port.

## 2.2 Authentic leadership as a mediator

Authentic leadership is the positive form of leadership used to develop the trust and positive working environment to foster the employee for higher self-performance (Azanza et al., 2015). Moreover, authentic leadership is explained as the pattern of leaders behavior that promotes the positive psychological capacities and positive ethical climate to adopt the self-awareness, moral perspective, balance of information and relational transparency between leaders and followers which leads to higher self-development (Walumbwa et al., 2008). However, according to some authors, higher self-development is leading to employee self-performance (Avolio & Walumbwa, 2006; Zehir & Erdogan, 2011).

Furthermore, Kiyani et al. (2013) empirically investigated the relationship between authentic leadership and employee performance in the context of Pakistan and found a positive relationship between authentic leadership and employee performance. Another study, Azanza et al. (2013) conducted a study in context of Spain and collected responses form 571 employees from private organization. The study found a positive significant influence of authentic leadership on employee performance. Some of studies conducted in context of China, Nigeria and Turkey on the relationship between authentic leadership and employee performance and found a positive association between two variables (Bello, 2012; Wang et al., 2014; Zehir & Erdogan, 2011). However, authentic leadership may have an influential impact on employee performance, hence the current study projects a positive relationship between authentic leadership and employee performance in Jeddah Islamic port of Kingdom of Saudi Arabia. Furthermore, some of researchers have stated that training and development enhance the authentic leadership expertise which also impact positively on employee performance (Baron & Parent, 2015; Combs, 2002). Hence, authentic leadership relationship plays a mediating role between employee training and employee performance. In other words, third variable (mediating) can be justified and explains the relationship between employee training and employee performance, thus, we expected a positive mediating role of authentic leadership between the relationship of employee training and employee performance.

Moreover, the positive relationship between employee training and employee performance leads to higher performance of port. Therefore, empirical investigation of present study framework will present clear picture regarding their implication strategy towards employee training programs and employee performance. Therefore, the following hypothesis is proposed after a clear discussion of past studies findings.

H<sub>2</sub>: There is a positive relationship between authentic leadership and performance of employees in Jeddah Islamic port.

H<sub>3</sub>: Authentic leadership has a mediating role between the relationship of employee training and employee performance in Jeddah Islamic Port.

### 3. Research framework

The research framework of the current study is underpinned by complementary congruity theory (CCT). However, CCT explained that an individual (leader) capabilities can fill the missing, requirement, and will be a valuable tool for another individual (employee) (Wang et al., 2014). In respect of the present study training and development influence the authentic leadership capabilities which facilitate to increase employee performance. Therefore, according to CCT, authentic leadership will be a good mediator to develop a strong link between effective employee training programs and higher employee performance.

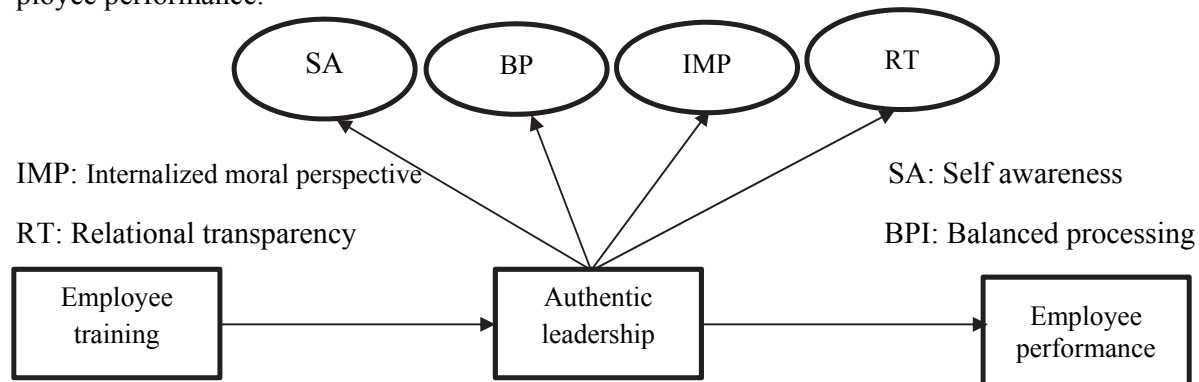


Fig. 1. Research Framework

### 4. Methodology

The present study has taken 260 employees of Jeddah Islamic Port as a study sample size. Moreover, the respondents have been selected randomly and structured questionnaires were distributed among the port employees by hand. The scale of the variable adapted from the past studies, the 16 items scale of authentic leadership was adapted from the study of Walumbwa et al. (2008), the employee training scale was adapted from the study of Kuvaas (2008) with 8 items and employee performance scale was adapted from the study of Zehir and Erdogan (2011) with 5 items. Furthermore, face and content validity of scale have been conducted, in this respect, the professor, associated professor, lecturers of University of Faisal, Jeddah, Kingdom of Saudi Arabia and Jeddah Islamic port officers were involved to make sure the scale face and content validity. However, after their suggestions, the study scale was improved and it was sent for data collection. The present study collected 212 completed questionnaires and considered for data analysis, the study response rate was 81%.

### 5. Data analysis and findings

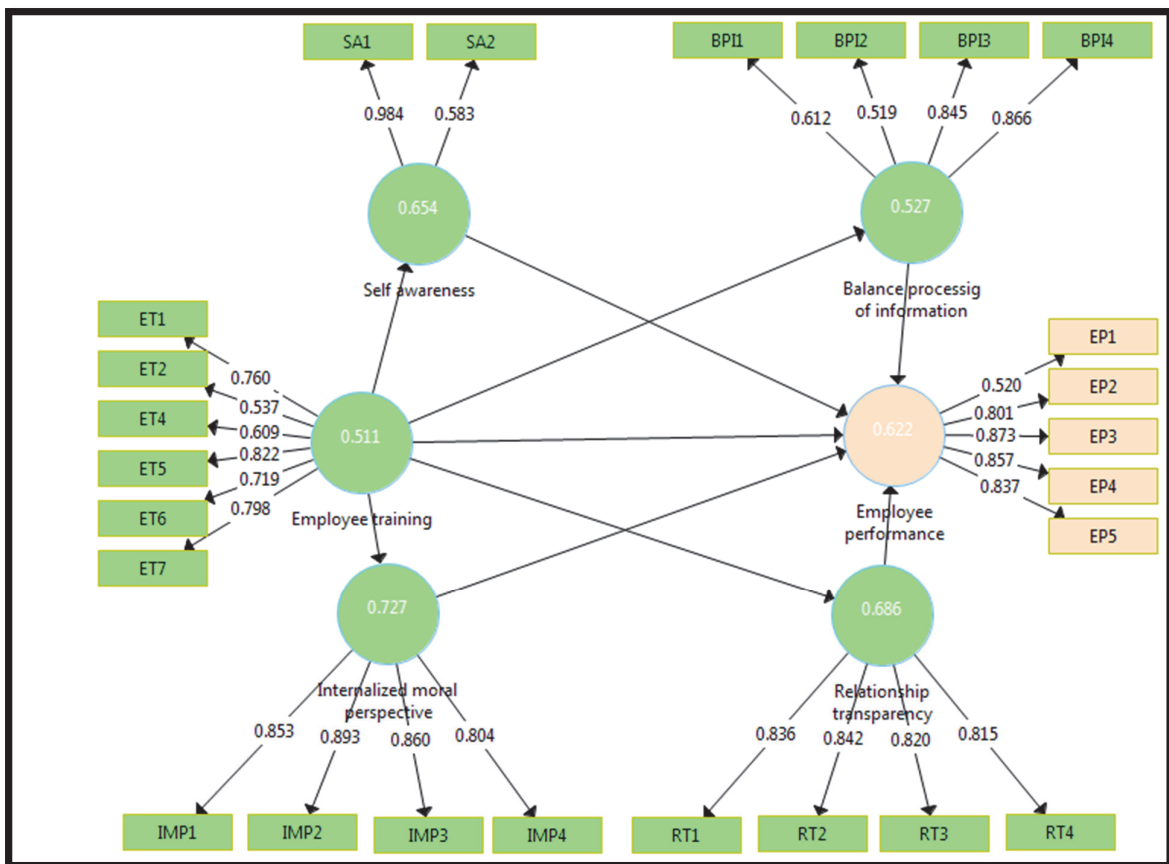
The present study employed the smartPLS 3.2.8 to validate the partial least square structural equation modeling (PLS-SEM). The evaluation of PLS-SEM has been performed into two steps such as measurement model and structural model.

5.1. Measurement Model

Measurement model analyses the data reliability and validity. The Cronbach criteria, composite reliability and average variance criteria have been used to validate the data internal reliability. On the other hand, Heterotrait-Monotrait ratio of correlations (HTMT) was employed to validate the data validity. However, according Hair Jr et al. (2016) Cronbach alpha and composite reliability values should be more than 0.70 and AVE values should be more than 0.50 for the validation of construct reliability. On the other hand, in terms of construct validity according to Hair Jr et al. (2016), HTMT values should be less than 1.0. The present found that all construct values were less than threshold values. The result of constructs reliability and validity can be seen in Table 1 and Table 2. Furthermore, the values of AVE can be seen in Fig. 2.

**Table 1**  
Construct reliability results

Constructs	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Balance processing of information	0.791	0.975	0.81	0.527
Employee performance	0.839	0.864	0.889	0.622
Employee training	0.805	0.832	0.86	0.511
Internalized moral perspective	0.875	0.877	0.914	0.727
Relationship transparency	0.848	0.852	0.897	0.686
Self-awareness	0.601	1.756	0.78	0.654



**Fig. 2.** Results of construct reliability

**Table 2**  
Constructs validity results

Construct	Balance processing of information	Employee performance	Employee training	Internalized moral perspective	Relationship transparency	Self-awareness
Balance processing of information						
Employee performance	0.448					
Employee training	0.463	0.883				
Internalized moral perspec-	0.431	0.727	0.914			
Relationship transparency	0.432	0.731	0.87	0.894		
Self-awareness	0.975	0.469	0.534	0.49	0.603	

### 5.2 Structural Model

After the successful validation of measurement model, the present study evaluates the structural model. There are three criteria to validate the structural model such as path co-efficient, coefficient of determination ( $R^2$ ) and effect size ( $f^2$ ).

### 5.3. Path co-efficient

The value of path between construct should be more than 1.96 when the level of significance is five percent. On this basis the current study can make decision that the hypothesis can accept or reject. The present study has examined the three hypotheses and the results can be seen in Table 3 and Table 4. Furthermore, the path values between construct can be seen in Fig. 3 as well.

**Table 3**  
Result of direct relationship

Relationship	Beta	Standard Deviation	T Statistics	P Values	Decision
H1: Employee training → Employee performance	0.736	0.038	19.608	0.000	Accepted
H2: Authentic leadership → Employee performance	0.237	0.08	2.943	0.003	Accepted

**Table 4**  
Results of indirect (mediation)

Relationship	Beta	Standard Deviation	T Statistics	P Values	Decision
H3: Employee training → Authentic leadership → Employee performance	0.188	0.066	2.858	0.004	Accepted

Moreover, in respect to mediation type, the study found the partial mediation role of authentic leadership between employee training and employee performance.

### 5.4 Coefficient of Determination ( $R^2$ ) and Effect Size ( $f^2$ )

The coefficient of determination ( $R^2$ ), which is the proportion of variance (%) in the dependent variable can be explained by the independent variable. Hence, we use a rule of thumb for interpreting the strength of a relationship based on its R-Squared value (use the absolute value of the R-squared value to make all values positive). According to Hair Jr et al. (2016) R-squared value  $< 0.3$  is generally considered a None or Very weak effect size, if R-squared value is  $0.3 < r < 0.5$  we generally consider it as a weak or low effect size, if R-squared value is  $0.5 < r < 0.7$  we consider it as a moderate effect size. Here, the current R-squared value is equal to 0.562 which is a moderate effect and the results can be seen in Table 5. In respect to effect size ( $f^2$ ) the increase in  $R^2$  is associated with the proportion of variance of the endogenous latent variable that remains unexplained (Hair Jr et al., 2016). According to Henseler et al. (2009) the effect size values of 0.02, 0.15, and 0.35 suggest small, medium, and large effects, respectively. However, the present study found the small effect size of authentic leadership based on  $R^2$  and the effect size of employee training was found medium according to  $R^2$ . The results can be seen in Table 5.

**Table 5**

The results of R-square and effect size

Constructs	$f^2$		$R^2$	
	Authentic Leadership	Employee performance	Authentic Leadership	Employee Performance
Employee training	1.69	0.255	0.628	0.562
Authentic leadership		0.048		

## 6. Discussion of the findings

The present study has found a significant relationship between employee training and employee performance ( $\beta=0.736$ , t-value-19.608), hence the hypothesis H<sub>1</sub> is accepted. In other words, the beta values of H<sub>1</sub> is shows an increase in employee training which is leading to enhancement in employee performance. The finding is in line with previous studies (Asfaw et al., 2015; Tahir et al., 2014). Moreover, the relationship between authentic leadership and employee performance was found significant ( $\beta=0.237$ , t-value-2.943), thus the hypothesis H<sub>2</sub> is accepted. The beta value also shows a positive trend and authentic leadership could possibly lead to higher employee performance. The positive relationship between authentic leadership and employee performance also matches with the past studies (Avolio & Walumbwa, 2006). The mediating role of authentic leadership between employee training and employee performance was found significant, hence the hypothesis H<sub>4</sub> was accepted.

## 7. Conclusion and recommendations

The results of the study have shown a positive relationship between employee training, authentic leadership and employee performance in Jeddah Islamic Port of Kingdom of Saudi Arabia. The findings have stated the contributory role of training and authentic leadership into employee higher performance. The port management of port should take a serious consideration during the decision making towards employee performance, since employee performance is very important for the port performance as well. Furthermore, the findings of the study have shown a positive significant mediating role of authentic leadership between employee training and employee performance, in other words, leadership is very important for the effectiveness of employee training and employee performance. The port management should introduce the employee friendly leadership practices such authentic leadership. In respect of future recommendations, the present study suggests that the current framework should validate into other Middle East countries especially in Government sectors. Moreover, the current study adopted the cross-sectional approach and future studies should adopt the longitudinal approach to validate the current study results. Moreover, future studies can take the authentic leadership as a moderator into the present study framework.

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