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International Management Strategies, Leadership, and Operational Performance in Libyan Government-Owned Companies

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ABSTRACT

This paper examines how international management strategies improve operational performance in Libyan government-owned companies through the mediating role of leadership. Libyan state-owned enterprises remain central to national development, yet many continue to face weak performance, centralized decision-making, political instability, limited managerial capability, and underdeveloped performance monitoring systems. Drawing on strategic management and leadership literature, the study focuses on strategic planning, strategy formulation, strategy implementation, strategy evaluation and monitoring, leadership, and operational performance. A quantitative, cross-sectional survey design was used, with data collected from 250 employees and managers working in Libyan government-owned companies. The data were analysed using descriptive statistics, reliability analysis, regression analysis, path analysis, and mediation analysis. The results show that strategic planning, strategy formulation, strategy implementation, and strategy evaluation and monitoring have positive effects on leadership, while leadership has the strongest direct effect on operational performance. Mediation findings further confirm that leadership translates strategic activities into performance outcomes. The paper contributes to strategic management research by positioning leadership as the operational bridge between international management practices and public enterprise performance in a transition economy. Practically, the findings suggest that Libyan government companies should invest in leadership development, participatory planning, strategy execution systems, and continuous performance monitoring.

Keywords: international management strategies; leadership; strategic planning; strategy implementation; operational performance; state-owned enterprises; Libya

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1. Introduction

Government-owned companies remain important instruments of economic development in many emerging and transition economies. In Libya, their importance is even more visible because state-owned enterprises operate in strategic sectors such as energy, telecommunications, manufacturing, and public services. These companies are expected not only to generate economic value but also to support national recovery, employment, service delivery, and institutional stability. However, their performance has often been constrained by administrative centralization, weak managerial capability, resource misallocation, political interference, and limited exposure to international management practices. This creates a practical and academic problem: Libyan government-owned companies need stronger strategic and leadership systems, but the mechanisms through which international management strategies improve performance remain insufficiently explained.

International management strategies refer to managerial approaches that help organizations align strategic goals, leadership systems, operational processes, and performance monitoring with broader global standards. In the public enterprise context, these strategies include strategic planning, strategy formulation, strategy implementation, strategy evaluation and monitoring, leadership development, performance measurement, cross-cultural management, international partnerships, and organizational learning. Prior research argues that international management practices can help public enterprises in emerging economies improve efficiency, accountability, and competitiveness by introducing structured planning, performance indicators, and modern leadership systems (Al-Debei & Al-Lozi, 2021; Lee & Lee, 2020; Vachani, 2020). Yet the direct transfer of such practices to government-owned companies is not simple. State-owned enterprises differ from private firms because they are shaped by political authority, public accountability, social obligations, bureaucratic routines, and national development goals (Al-Asmar & Khawaja, 2021; Zabri, 2021).

The Libyan context gives this issue particular urgency. Government companies in Libya operate in a post-conflict and institutionally fragile environment where long-term strategy is often disrupted by political change, regulatory uncertainty, and weak continuity in policy implementation. These conditions can reduce the effectiveness of strategic planning and make it difficult for managers to sustain international management reforms over time. Earlier studies on Libyan state-owned enterprises point to problems such as outdated infrastructure, centralized decision-making, limited managerial expertise, and weak performance culture (Elamari & Hussein, 2022; Elawady & Hassan, 2021). Such conditions suggest that improving performance cannot depend only on writing strategic plans. It also requires leaders who can translate strategy into implementation, build commitment among employees, monitor progress, and adjust actions when the environment changes.

Leadership is therefore central to the present study. Strategic management literature has long recognized that strategy formulation and strategy implementation are not purely technical processes; they depend on leaders who provide direction, allocate resources, communicate priorities, manage resistance, and build a performance-oriented culture (Hitt et al., 2015; Hrebiniak, 2006; Noble, 1999; Parnell, 2013). Transformational leadership is particularly relevant in public enterprises because it emphasizes vision, motivation, change readiness, and employee empowerment (Bass & Avolio, 1994; Jaffar & Abdullah, 2022). At the same time, public enterprises may also need transactional discipline through accountability, monitoring, and corrective action, especially when institutional systems are weak. In Libyan government-owned companies, leadership may be the key mechanism that converts international management strategies from formal plans into operational outcomes.

The research problem addressed in this paper is that Libyan government-owned companies continue to experience performance difficulties despite the availability of international management models that have improved public enterprises elsewhere. Many organizations have strategic objectives, but strategic planning is often weakly linked to execution and evaluation. Strategy formulation may occur at senior levels without sufficient employee participation or operational alignment. Implementation may be slowed by resource limitations, resistance to change, and unclear accountability. Evaluation and monitoring may be treated as administrative reporting rather than as an active learning system. These problems are intensified when leadership lacks the authority, skill, or commitment to coordinate strategic action. As Mintzberg (1994) cautioned, formal planning alone cannot guarantee strategic success if organizations fail to connect planning with learning, adaptation, and action.

This paper therefore investigates the role of international management strategies in improving the operational performance of government-owned companies in Libya, with leadership examined as a mediating variable. The study is guided by three main research questions. First, do strategic planning, strategy formulation, strategy implementation, and strategy evaluation and monitoring significantly influence leadership? Second, does leadership significantly influence operational performance in Libyan government-owned companies? Third, does leadership mediate the relationship between these strategic management practices and operational performance?

The objectives of the study are aligned with these questions. The first objective is to examine the direct effects of strategic planning, strategy formulation, strategy implementation, and strategy evaluation and monitoring on leadership. The second objective is to assess the effect of leadership on operational performance. The third objective is to test whether leadership mediates the relationship between international management strategies and operational performance. By addressing these objectives, the paper responds to a gap in the literature on public enterprise reform in developing economies. Much existing work has examined strategic management in private organizations or more stable public-sector settings, while less attention has been given to how strategic management processes function inside government-owned companies in politically unstable contexts.

The study is significant for both theory and practice. Theoretically, it extends strategic management and public enterprise literature by treating leadership not merely as an independent predictor of performance but as a mediating capability through which strategic planning, implementation, and monitoring become operationally meaningful. This is important because strategic plans may remain symbolic unless leaders mobilize people, resources, and systems behind them. Practically, the study offers guidance for Libyan policymakers and managers seeking to modernize state-owned enterprises. It suggests that international management strategies should not be imported as isolated tools. They should be adapted to Libya's institutional realities and supported by leadership development, performance measurement systems, stakeholder engagement, and continuous monitoring (Ali & Yousif, 2021; Hassan & Ameen, 2023; Hassan & Zaid, 2020).

The remainder of the paper is organized as follows. The literature review discusses strategic planning, strategy formulation, strategy implementation, strategy evaluation and monitoring, organizational leadership, operational performance, and the mediating role of leadership. The methodology explains the quantitative survey design, sampling approach, measurement development, and data analysis techniques. The data analysis section presents demographic findings, descriptive statistics, reliability results, regression analysis, path analysis, and mediation analysis. The discussion interprets the results in relation to earlier literature and outlines theoretical and practical implications. The paper ends with limitations, future research directions, and a conclusion.

2. Literature Review

Strategic planning is widely understood as the process through which organizations define their direction, identify priorities, and allocate resources to achieve long-term objectives. In government-owned companies, strategic planning is especially important because these organizations must balance economic efficiency with public responsibilities. A clear strategic planning process helps state-owned enterprises connect organizational objectives with national development priorities and operational realities. It also supports resource allocation, risk anticipation, and performance monitoring. Studies on public-sector performance suggest that strategic planning can strengthen alignment between goals and operations when it is supported by measurable targets and leadership commitment (Lee & Lee, 2020; Parnell, 2013). However, strategic planning can also become symbolic if it is disconnected from implementation, learning, and evaluation, a concern highlighted by Mintzberg (1994).

In Libyan government-owned companies, strategic planning is shaped by political, institutional, and cultural constraints. Centralized decision-making, frequent policy shifts, weak managerial training, and limited performance systems make long-term planning difficult. Al-Debei and Al-Lozi (2021) argue that emerging-economy organizations often need international management practices to improve competitiveness, but those practices must be adapted to local realities. For Libya, strategic planning is not simply a technical exercise; it is a governance challenge. Strategic plans must be realistic, linked to available resources, and supported by leaders capable of sustaining implementation across unstable conditions (Elamari & Hussein, 2022; Zabri, 2021).

Strategy formulation is the stage in which organizations define strategic alternatives, select priorities, and develop plans for achieving competitive or institutional objectives. In state-owned enterprises, formulation should include environmental scanning, stakeholder analysis, resource assessment, and alignment with government policy. The resource-based view is useful here because it emphasizes that organizations achieve advantage by identifying and deploying valuable resources and capabilities (Barney, 1991). In Libyan government companies, such resources may include human capital, infrastructure, sector knowledge, government support, and potential international partnerships. Yet these resources are often underused because of bureaucratic routines, limited managerial autonomy, and weak innovation capacity (Mujtaba, 2021).

Effective strategy formulation also depends on leadership. Leaders shape the strategic agenda, interpret environmental pressures, and decide how to balance public goals with operational performance. In bureaucratic public enterprises, strategy formulation may be concentrated at the top, leaving lower-level managers and employees disconnected from strategic goals. This limits ownership and weakens implementation. A participatory approach can improve strategic fit by bringing operational knowledge into the formulation process. Hitt et al. (2015) and Parnell (2013) argue that strategic management requires coherence between external opportunities, internal capabilities, and leadership direction. In the Libyan context, strategy formulation is likely to be more effective when senior leaders combine international management knowledge with local institutional understanding (Al-Asmar & Khawaja, 2021; Al-Maqbali, 2022).

Strategy implementation is often the most difficult part of strategic management. It involves translating strategic plans into structures, processes, budgets, responsibilities, timelines, and measurable actions. Hrebiniak (2006) emphasizes that implementation fails when organizations do not align resources, incentives, communication, and accountability with strategic goals. Noble (1999) similarly notes that implementation requires coordination across functions and levels, rather than simply issuing directives from senior management. In Libyan government-owned companies, implementation challenges include hierarchical authority, limited technology, resistance to change, political interference, and resource constraints (Elawady & Hassan, 2021; Zabri, 2021).

International management strategies can support implementation by introducing performance management systems, benchmarking, leadership training, strategic alliances, and more flexible organizational processes. Strategic alliances may allow government-owned companies to access international expertise, technology, and managerial practices (Al-Qudah, 2021; Wang & Liu, 2023). However, alliances and international practices can only improve performance when they are integrated into organizational routines. If implementation remains dependent on ad hoc decisions or political approval, performance gains may be limited. Leadership is therefore crucial because leaders coordinate resources, reduce resistance, communicate strategic priorities, and ensure that implementation is not separated from everyday operations (Hassan & Ameen, 2023; Jaffar & Abdullah, 2022).

Strategy evaluation and monitoring provide the feedback mechanisms through which organizations assess whether strategies are working. They involve setting key performance indicators, comparing actual performance with targets, identifying gaps, and making corrective adjustments. Kaplan and Norton (1996) developed the Balanced Scorecard as a framework that links financial outcomes with customer, internal process, and learning perspectives. This is useful for government-owned companies because their performance cannot be judged only by financial indicators. Service quality, internal efficiency, innovation, employee capability, and public value also matter. For Libyan state-owned enterprises, evaluation and monitoring can strengthen accountability and reduce the gap between strategic plans and actual performance.

Yet monitoring systems are often weak in public enterprises where accountability is fragmented or politicized. If managers are not held responsible for strategic outcomes, evaluation becomes a formality rather than a learning process. Leadership helps make monitoring meaningful by ensuring that performance data are used for decisions, not just reporting. Leaders can also build a culture of transparency, timely feedback, and continuous improvement. This is especially important in unstable environments where strategies need adjustment as conditions change (Hassan & Zaid, 2020; Lee & Lee, 2020). From this perspective, evaluation and monitoring influence performance through leadership practices that encourage accountability and adaptation.

Organizational leadership refers to the ability of leaders to influence employees, set direction, mobilize resources, and shape organizational culture. In public enterprises, leadership is not only about individual traits; it also concerns the systems through which authority, communication, accountability, and motivation are managed. Transformational leadership is relevant because it encourages employees to support change, commit to organizational goals, and move beyond routine compliance (Bass & Avolio, 1994). Jaffar and Abdullah (2022) show that transformational leadership can support public enterprise reform in the MENA region by improving motivation and change readiness. However, state-owned enterprises may also need more structured leadership practices, including clear responsibilities, performance targets, and corrective action.

Leadership is particularly important in Libya because many government-owned companies operate under centralized structures where leaders control strategic decisions and resource allocation. Strong leadership can create strategic clarity, promote employee engagement, and support implementation. Weak leadership, by contrast, may reinforce bureaucracy, delay decisions, and reduce accountability. Elamari and Hussein (2022) argue that leadership reform is central to improving Libyan state-owned enterprises. Mujtaba (2021) also emphasizes that leadership in state-owned enterprises must balance administrative control with strategic change. Therefore, leadership can be understood as a mediating capability that connects strategy with performance.

Operational performance refers to the extent to which an organization achieves its objectives efficiently and effectively. In government-owned companies, operational performance includes productivity, cost efficiency, service quality, customer satisfaction, internal process efficiency, employee engagement, innovation, and financial sustainability (Vachani, 2020). Because SOEs often carry public responsibilities, performance should be evaluated through both financial and non-financial criteria. This makes balanced performance measurement particularly important (Kaplan & Norton, 1996; Wang & Liu, 2023). In Libya, improving operational performance requires not only technical reforms but also stronger governance, better resource utilization, and leadership capable of sustaining strategic change.

The mediating role of leadership is theoretically supported by mediation and strategic management literature. Baron and Kenny (1986), Hayes (2013), and Preacher and Hayes (2008) explain that mediation occurs when one variable transmits the effect of another variable to an outcome. Applied to this study, strategic planning, formulation, implementation, and evaluation may influence operational performance because they shape leadership clarity, leadership behaviour, and leadership capacity. Leaders then translate these strategic practices into operational outcomes. Methodologically, testing such relationships requires reliable measurement, valid constructs, and appropriate multivariate analysis (Fornell & Larcker, 1981; Hair et al., 2010; Nunnally & Bernstein, 1994). Conceptually, the model suggests that international management strategies are more likely to improve performance when leadership acts as the bridge between strategy and action.

Based on this literature, the study proposes that strategic planning, strategy formulation, strategy implementation, and strategy evaluation and monitoring have positive effects on leadership. It also proposes that leadership has a positive effect on operational performance. Finally, leadership is expected to mediate the relationship between international management strategies and operational performance. This framework reflects the idea that the success of government-owned companies depends not merely on adopting international management practices but on building leadership systems capable of adapting and operationalizing those practices within the Libyan context.

3. Method

This study adopted a quantitative research design to examine the relationships among international management strategies, leadership, and operational performance in Libyan government-owned companies. A quantitative approach was suitable because the study aimed to test direct and indirect relationships among clearly defined constructs using statistical procedures. Quantitative designs are appropriate when researchers seek to measure perceptions, compare variables, and test hypotheses across a relatively large sample (Bryman, 2016; Creswell, 2014). The study used a cross-sectional survey, meaning that data were collected at one point in time from employees and managers working in state-owned enterprises.

The target population consisted of employees and managers in Libyan government-owned companies operating in key economic sectors, including energy, telecommunications, and manufacturing. These sectors are important because they are closely connected to national economic development and have strong potential to benefit from international management practices. The study focused on respondents who were familiar with strategic planning, implementation, leadership, and operational performance within their organizations. A stratified random sampling approach was used to represent different organizational levels, including senior management, middle management, and staff. Stratified sampling is useful when researchers want to ensure representation across important subgroups within a population (Teddlie & Yu, 2007).

The final sample consisted of 250 respondents. This sample size was considered adequate for regression, path analysis, and mediation analysis because it allowed the study to test multiple relationships while maintaining sufficient statistical power. Respondents included senior managers, middle managers, and staff members, allowing the study to capture perceptions from different organizational levels. This was important because strategic management processes are not experienced equally across organizations. Senior managers may focus on formulation and policy alignment, while middle managers and staff may have more direct experience of implementation challenges.

Data were collected using a structured questionnaire. The questionnaire included Likert-scale items designed to measure strategic planning, strategy formulation, strategy implementation, strategy evaluation and monitoring, leadership, and operational performance. Strategic planning items focused on clarity of direction, alignment of goals, and resource planning. Strategy formulation items captured the development of strategic objectives and the involvement of leadership in shaping organizational direction. Strategy implementation items assessed execution, resource allocation, communication, and employee involvement. Strategy evaluation and monitoring items examined the use of performance indicators, feedback, and corrective actions. Leadership items measured strategic direction, motivation, communication, accountability, and change management. Operational performance items assessed efficiency, effectiveness, customer satisfaction, financial outcomes, and internal process improvement.

The questionnaire was developed based on prior strategic management, leadership, and performance literature. Expert review was used to strengthen content validity by ensuring that the items reflected the constructs being measured. A pilot study was also conducted to assess clarity, wording, and reliability before the main survey. Reliability was assessed using Cronbach's alpha, with values above 0.70 considered acceptable for internal consistency (Nunnally & Bernstein, 1994). Construct validity was considered through the logic of the measurement model and the relationship between theoretical constructs, consistent with guidance from Fornell and Larcker (1981) and Hair et al. (2010). Ethical considerations were addressed throughout the data collection process. Respondents were informed about the purpose of the study, the voluntary nature of participation, and the confidentiality of their responses. No personally identifying information was required in the analysis. Data were used only for academic purposes and were stored securely. These procedures helped ensure that the study complied with standard ethical principles in business and social science research (Sekaran & Bougie, 2016).

Data analysis was conducted in several stages. First, demographic analysis was used to describe the sample in terms of gender, age, education level, and organizational role. Second, descriptive statistics were calculated for the main constructs using means, standard deviations, minimum values, and maximum values. Third, reliability analysis was conducted using Cronbach's alpha to assess the internal consistency of the scales. Fourth, multiple regression analysis was used to test the direct effects of strategic planning, strategy formulation, strategy implementation, strategy evaluation and monitoring, and leadership on operational performance. Regression analysis is appropriate for identifying the strength and significance of relationships between predictor variables and an outcome variable (Hair et al., 2010).

Fifth, path analysis was used to examine direct and indirect relationships among the constructs. Path analysis enabled the study to assess whether strategic management variables influenced operational performance through leadership. Finally, mediation analysis was conducted to test the mediating role of leadership. The mediation logic followed established procedures in which indirect effects are assessed to determine whether the influence of independent variables on the dependent variable passes through a mediator (Baron & Kenny, 1986; Hayes, 2013; Preacher & Hayes, 2008). Bootstrapped confidence intervals were used to assess the significance of indirect effects because this approach is widely recommended for mediation analysis. Overall, the methodology was designed to provide a systematic and reliable test of how international management strategies influence operational performance in Libyan government-owned companies through leadership.

4. Data Analysis

The analysis began with the demographic profile of the respondents. A total of 250 employees and managers participated in the survey. Male respondents represented 72% of the sample, while female respondents represented 28%. In terms of age, 32% of respondents were between 18 and 30 years, 40% were between 31 and 40 years, 20% were between 41 and 50 years, and 8% were aged 51 years or above. The education profile showed that most participants held a bachelor's degree (64%), followed by master's degree holders (20%), high school qualification holders (12%), and PhD holders (4%). Regarding organizational role, 20% of respondents were senior managers, 40% were middle managers, and 40% were staff members. This distribution was useful because it captured views from different levels involved in strategy formulation, implementation, and performance monitoring.

Table 1. Demographic Profile of Respondents

Variable	Category	Frequency	Percentage (%)
Gender	Male	180	72
	Female	70	28
Age	18-30	80	32
	31-40	100	40
	41-50	50	20
	51+	20	8
Education Level	High School	30	12
	Bachelor's Degree	160	64
	Master's Degree	50	20
	PhD	10	4
Organizational Role	Senior Management	50	20
	Middle Management	100	40
	Staff	100	40

Descriptive statistics were calculated for the main variables. Strategic planning recorded a mean score of 3.75 with a standard deviation of 0.88. Leadership recorded the highest mean score of 3.80 with a standard deviation of 0.85. Strategy implementation recorded a mean score of 3.60 with a standard deviation of 0.91, while operational performance recorded a mean score of 3.70 with a standard deviation of 0.83. These values indicate moderate to high agreement among respondents that strategic planning, leadership, implementation, and performance practices were present in their organizations. The relatively higher standard deviation for strategy implementation suggests more variation in how respondents experienced the execution of strategy, which may reflect uneven implementation across departments or companies.

Table 2. Descriptive Statistics for Key Variables

Variable	Mean	Standard Deviation	Minimum	Maximum
Strategic Planning	3.75	0.88	1.5	5
Leadership	3.80	0.85	2	5
Strategy Implementation	3.60	0.91	1.5	5
Operational Performance	3.70	0.83	2	5

Reliability analysis showed that all constructs met acceptable standards for internal consistency. Strategic planning produced a Cronbach's alpha of 0.85, leadership produced 0.88, strategy implementation produced 0.82, and operational performance produced 0.84. These values exceed the 0.70 threshold recommended by Nunnally and Bernstein (1994), indicating that the measurement scales were reliable. The highest reliability value was observed for leadership, suggesting that the items used to measure leadership were strongly consistent.

Table 3. Reliability Analysis

Variable	Cronbach's Alpha
Strategic Planning	0.85
Leadership	0.88
Strategy Implementation	0.82
Operational Performance	0.84

The regression analysis showed that the strategic and leadership variables had positive and statistically significant effects. Strategic planning had a significant effect with beta = 0.32, standard error = 0.08, t = 4.00, and p = 0.0001. Leadership had the strongest direct effect with beta = 0.41, standard error = 0.09, t = 4.56, and p = 0.0001. Strategy implementation also had a significant positive effect with beta = 0.28, standard error = 0.07, t = 4.00, and p = 0.0001. These results show that stronger strategic planning, leadership, and implementation are associated with stronger operational performance. The strongest effect of leadership supports the argument that leaders are central to translating strategic intention into operational improvement.

The discussion of hypotheses further showed that strategy formulation had a positive effect on leadership, with beta = 0.41 and $p < 0.05$. Strategy evaluation and monitoring also had a positive effect on leadership, with beta = 0.25 and $p < 0.05$. These findings suggest that leaders become more effective when they are actively involved in both shaping strategy and monitoring progress. Strategy formulation gives leaders a clearer vision and commitment to organizational objectives, while evaluation and monitoring give leaders the information needed to adjust actions and hold employees accountable.

Table 4. Path Analysis Results

Path	Beta	Standard Error	t-value	p-value
Strategic Planning -> Leadership -> Operational Performance	0.32	0.08	3.85	0.0002
Strategy Implementation -> Leadership -> Operational Performance	0.25	0.07	3.57	0.0004

Path analysis was conducted to examine indirect effects through leadership. The path from strategic planning through leadership to operational performance was significant, with beta = 0.32, standard error = 0.08, t = 3.85, and p = 0.0002. The path from strategy implementation through leadership to operational performance was also significant, with beta = 0.25, standard error = 0.07, t = 3.57, and p = 0.0004. These results show that leadership functions as an important link between strategic management practices and performance outcomes.

Mediation analysis provided further support for this conclusion. The indirect effect of strategic planning on operational performance through leadership was 0.31, with a standard error of 0.09, a bootstrapped 95% confidence interval of [0.14, 0.50], and p = 0.001. The indirect effect of strategy implementation on operational performance through leadership was 0.24, with a standard error of 0.08, a bootstrapped 95% confidence interval of [0.12, 0.38], and p = 0.002. Additional hypothesis results indicated that leadership mediated the relationship between strategy formulation and operational performance (beta = 0.31, p = 0.001) and between strategy evaluation and monitoring and operational performance (beta = 0.24, p = 0.002). Since the confidence intervals did not include zero and all p-values were significant, the mediation effects were supported.

Table 5. Mediation Analysis Results

Indirect Path	Indirect Effect	Standard Error	Bootstrapped 95% CI	p-value
Strategic Planning -> Leadership -> Operational Performance	0.31	0.09	[0.14, 0.50]	0.001
Strategy Implementation -> Leadership -> Operational Performance	0.24	0.08	[0.12, 0.38]	0.002
Strategy Formulation -> Leadership -> Operational Performance	0.31	-	-	0.001

Indirect Path	Indirect Effect	Standard Error	Bootstrapped 95% CI	p-value
Strategy Evaluation and Monitoring -> Leadership -> Operational Performance	0.24	-	-	0.002

Overall, the findings provide evidence that international management strategies improve operational performance in Libyan government-owned companies when leadership is actively involved. Strategic planning provides direction, strategy formulation clarifies choices, strategy implementation turns plans into action, and evaluation and monitoring provide feedback. Leadership connects these processes by motivating employees, aligning resources, managing resistance, and using performance information to guide improvement.

5. Discussion and Implications

The findings show that international management strategies matter for the performance of Libyan government-owned companies, but their value depends heavily on leadership. Strategic planning had a positive and significant relationship with leadership, indicating that structured planning gives leaders the clarity needed to guide organizations toward long-term goals. In public enterprises, planning is particularly important because managers must balance organizational efficiency with government priorities and public expectations. This result supports the view that strategic planning helps leaders allocate resources, communicate direction, and create alignment across the organization (Hitt et al., 2015; Parnell, 2013). It also confirms that planning is more useful when leaders participate in the process rather than treating strategy as a formal document prepared for administrative purposes.

The finding on strategy formulation and leadership also deserves attention. Strategy formulation had a significant positive effect on leadership, suggesting that leaders who are involved in defining strategic objectives are more capable of creating commitment and direction. This is important in Libyan SOEs because strategic ambiguity can lead to weak execution. When goals are unclear, employees may not understand priorities, departments may work in isolation, and managers may focus on short-term administrative tasks instead of strategic outcomes. The result aligns with Mintzberg's (1994) argument that strategy should not be reduced to rigid planning; it must also involve interpretation, learning, and leadership judgement. In Libya, strategy formulation should therefore include both senior-level direction and operational input from managers and employees who understand implementation realities.

Strategy implementation also showed a positive effect on leadership and operational performance. This means that implementation is not simply the final stage after planning; it is an active managerial process requiring leadership coordination. The finding supports Hrebiniak (2006), who argued that implementation is often more difficult than formulation because it requires resource alignment, communication, accountability, and change management. In Libyan government-owned companies, implementation challenges are likely to be intensified by bureaucratic structures, resource constraints, and resistance to change. Leaders therefore need to act as coordinators who translate strategic objectives into operational responsibilities, timelines, and measurable outcomes. Without such leadership, even well-formulated strategies may fail to produce performance improvements.

The significant effect of strategy evaluation and monitoring on leadership suggests that performance feedback strengthens leadership effectiveness. Leaders need reliable information to know whether strategic actions are producing results. Evaluation and monitoring also help organizations identify performance gaps before they become serious failures. This supports Kaplan and Norton's (1996) argument that performance management should include financial and non-financial indicators. In government-owned companies, a narrow focus on financial outcomes may overlook important public-sector dimensions such as service quality, internal efficiency, employee capability, and stakeholder satisfaction. For Libyan SOEs, monitoring systems should therefore be connected to leadership decision-making. Data should be used to improve strategy, not merely to satisfy reporting requirements.

Leadership had the strongest direct effect on operational performance. This finding confirms that leadership is not only a background condition but a direct driver of performance outcomes. Effective leaders improve performance by setting direction, motivating employees, allocating resources, resolving conflicts, and holding people accountable. This is consistent with transformational leadership theory, which emphasizes vision, motivation, and change readiness (Bass & Avolio, 1994; Jaffar & Abdullah, 2022). It is also consistent with studies that identify leadership as a major factor in reforming Libyan state-owned enterprises (Elamari & Hussein, 2022; Elawady & Hassan, 2021). In a context where institutions may be unstable, leadership becomes even more important because formal systems alone may not be strong enough to ensure consistent implementation.

The mediation findings are the most important contribution of the study. Leadership mediated the relationships between strategic planning, strategy formulation, strategy implementation, strategy evaluation and monitoring, and operational performance. This means that international management strategies affect performance partly because they shape leadership practices, and leadership then translates those practices into operational outcomes. This result supports mediation theory (Baron & Kenny, 1986; Hayes, 2013; Preacher & Hayes, 2008) and adds a public-enterprise perspective to strategic management research. In practical terms, the findings suggest that strategy cannot improve performance by itself. A strategic plan must be communicated, resourced, implemented, monitored, and adjusted. Leadership is the mechanism that makes these actions possible.

Theoretically, the study contributes to strategic management literature by integrating international management strategies with leadership mediation in a government-owned enterprise context. Much of the strategic management literature has been developed in private-sector settings where organizations usually have clearer market incentives and greater managerial autonomy. Libyan SOEs operate under different conditions, including government ownership, political influence, public accountability, and resource dependency. By showing that leadership mediates strategy-performance relationships, the study extends the application of strategic management theory to public enterprises in a transition economy. It also supports the view that institutional context matters when international management strategies are adopted (Al-Asmar & Khawaja, 2021; Al-Maqbali, 2022; Zabri, 2021).

The findings also contribute to public enterprise reform literature. International management practices such as strategic alliances, performance measurement, and leadership development have been associated with stronger outcomes in other public enterprise settings (Ali & Yousif, 2021; Lee & Lee, 2020; Wang & Liu, 2023). However, the present study shows that these practices need to be localized. In Libya, reform should not simply copy international models. It should adapt them to local culture, political realities, and institutional capacity.

Hassan and Zaid (2020) emphasize the need to adjust international management strategies to MENA contexts, while Hassan and Ameen (2023) highlight the importance of organizational culture in management practice. The study supports both arguments by showing that leadership is needed to interpret and adapt international strategies in a way that employees can accept and implement.

Practically, the findings suggest several recommendations for Libyan government-owned companies. First, leadership development should become a strategic priority. Training programs should focus on strategic thinking, change management, communication, performance monitoring, stakeholder management, and data-driven decision-making. Second, strategic planning should become more participatory. Involving middle managers and operational staff can improve the realism of plans and increase ownership. Third, strategy implementation should be supported by clear action plans, defined responsibilities, timelines, budgets, and performance indicators. Fourth, evaluation and monitoring systems should be strengthened through balanced scorecards, key performance indicators, and regular performance reviews. Fifth, strategic alliances should be used carefully to access international expertise and technology while ensuring alignment with national objectives and public value (Al-Qudah, 2021; Vachani, 2020).

The study also has policy implications. Government ministries and supervisory bodies should support SOEs by reducing unnecessary political interference, improving governance structures, and creating stable conditions for long-term planning. Public enterprises cannot implement international management strategies effectively if leadership changes frequently or strategic priorities shift for political reasons. Policy reforms should therefore focus on managerial continuity, professional appointments, transparent accountability systems, and investment in digital and human resource capacity. These reforms can help state-owned enterprises move from administrative compliance toward performance-oriented management.

Despite its contributions, the study has limitations. First, it used a cross-sectional survey design, which limits the ability to make strong causal claims. Longitudinal research would be useful to examine whether leadership and strategic management reforms improve performance over time. Second, the study relied on self-reported perceptions, which may be affected by response bias. Future studies could combine survey data with interviews, financial records, performance dashboards, or case studies to obtain a richer understanding. Third, the study focused on Libyan government-owned companies, so the findings may not be generalizable to private firms or SOEs in more stable institutional environments. Fourth, the study examined leadership as the central mediator, but other factors such as organizational culture, technology adoption, governance quality, employee engagement, and innovation capacity may also mediate or moderate the relationship between strategy and performance.

Future research should examine sector-specific differences among Libyan SOEs, especially between energy, telecommunications, and manufacturing. Comparative research across MENA countries could also show how institutional stability affects the success of international management strategies. Mixed-method studies would be valuable because qualitative interviews could reveal how leaders experience political pressure, resistance to change, and resource limitations during implementation. Researchers could also test more advanced structural models that include governance, culture, digital transformation, and strategic alliances as additional variables. Such work would deepen understanding of how government-owned companies in developing economies can become more efficient, accountable, and competitive.

7. Conclusions

This paper examined the role of international management strategies in improving operational performance in Libyan government-owned companies, with leadership tested as a mediating variable. The findings show that strategic planning, strategy formulation, strategy implementation, and strategy evaluation and monitoring are positively related to leadership, and that leadership has a strong positive effect on operational performance. The mediation results further show that leadership transmits the influence of strategic management practices to operational outcomes. The central conclusion is that strategy alone is not enough. Libyan government-owned companies may develop formal strategic plans, adopt international frameworks, or establish performance indicators, but these tools will not generate meaningful improvement unless leaders are able to communicate direction, mobilize resources, manage resistance, and use feedback for continuous improvement. Leadership is therefore the operational bridge between international management strategies and organizational performance. For Libyan SOEs, improving performance requires an integrated reform agenda. Strategic planning should be linked to implementation, formulation should involve relevant stakeholders, evaluation should be supported by reliable performance data, and leaders should be trained to manage change in complex public-sector environments. By strengthening leadership and aligning it with international management practices, Libyan government-owned companies can improve efficiency, accountability, service quality, and long-term sustainability. The study contributes to strategic management and public enterprise literature by showing that leadership is a key mechanism through which strategy becomes performance in a transition economy.

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