

**Midocean University**  
**Faculty of Management**  
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**Project title**

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**.....**

**Final Project - 2**

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# Acknowledgment

## **Dedication**

to my esteemed professors who provided me with guidance and support, and to my fellow researchers who collaborated with me on this work, I express my sincere gratitude for your efforts and dedication."

# Abstract

**Purpose:**

**Methodology:**

**Findings:**

**Originality & Implication:**

***Keywords:***

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# **1. Chapter 1: Introduction**

## 1.1. Research Background

Leadership plays a decisive role in training organization dynamics. This directly affects orders, motivation, performance, and the effectiveness of unity (Northus, 2018). This affects not only the team's direct results, but also the consistency between long-term stability and organizational goals. Among the spectrum of leadership styles, the laissez-faire leadership stands out due to its clear accent on minimum supervision and high autonomy. This style of leadership has drawn considerable attention from its lively contrast to more directive approaches, such as transformational leadership and transactions. The principles of laissez-faire leadership originate from 18th century economic theory, particularly Adam Smith's advocacy of minimal government intervention, but its application has expanded to management and organizational contexts (Goodnight, 2011). This approach emphasizes employee autonomy, reduced supervision, and freedom of decision-making, which is particularly important in modern, innovation-driven workplaces. However, despite the potential benefits, the impact of laissez-faire leadership remains controversial among researchers and practitioners.

### Theoretical Foundations of Laissez-Faire Leadership

The laissez-faire approach to leadership is consistent with the theory of intrinsic motivation and self-determination formulated by Deci and Ryan (2000). These theories suggest that autonomy fulfills basic psychological needs and promotes motivation, engagement, and performance. This leadership style creates an environment that fosters creativity and innovation by allowing team members to manage their own responsibilities and make decisions independently. In creative, exploratory teams, where autonomy is essential, hands-off leadership has shown promising results. For example, Kelloway et al. (2005) observed that teams with high levels of skill and self-management often thrive under laissez-faire leadership because of the freedom to explore and innovate. This is especially true in sectors such as technology, design, and academia, where heavy supervision can stifle creativity. However, the inherent lack of structure associated with laissez-faire management can create problems. According to Bass (1990), the lack of leadership

and accountability mechanisms can lead to uncertainty, decreased productivity, and even conflict within teams. This duality highlights the situation-specific nature of laissez-faire leadership, whose effectiveness depends on team characteristics, task complexity, and organizational culture.

### **Contrasting views and research gaps**

Research on the effectiveness of laissez-faire leadership has produced mixed results, reflecting its complex nature. On the other hand, by promoting participating decision -making and trust, it shares similarities with the Democratic leadership (NORTHHOUSE, 2018). On the other hand, as Hinkin and Schooleim (2008) emphasized, there is a risk of creating "invalid leadership", which causes unclear expectations, inconsistent efforts, and a decrease in morale. A contrasting perspective suggests that while laissez-faire management is potentially effective in promoting autonomy, additional strategies are needed to address its limitations. For example:

Positive outcomes: Autonomy is associated with increased creativity and innovation in high-performing teams (Deci & Ryan, 2000). Negative

Consequences: Lack of clear roles and coordination can undermine productivity, especially in structured environments such as operations and maintenance (Bass, 1990). Despite its growing importance in modern organizational contexts, ambiguity surrounding the effectiveness of laissez-faire leadership remains. As organizations adopt flexible work models and place greater emphasis on employee empowerment, it is important to understand the nuanced impact of this leadership style.

### **Historical and practical context**

Historically, laissez-faire leadership has been studied in the broader context of autonomy-oriented approaches compared to structured approaches. Early critiques such as Max Weber's bureaucracy theory highlighted the risks of overly rigid structures and unintentionally supported the need for autonomy-oriented alternatives such as laissez-faire leadership.

More recently, research has moved towards examining adaptability across industries. In the creative field, it turned out that the leadership of the free unit was useful, but in sectors that require accuracy such as healthcare, production, operation, and maintenance, a mixture result was shown. The latest context requires a clear leadership, accountability, and adjustment, so even if you are not balanced with free release and strategic director, you may be a problem for free units. Filling a research gap This study fills an existing gap by systematically investigating the impact of laissez-faire in structured environments, particularly in the O&M sector, which often comes with routine operations, compliance requirements and high continuity challenges. Therefore, a leadership style that promotes efficiency, clarity and coordination is paramount.

This study aims to provide concrete ideas on how laissez-faire leadership can be adapted to meet the needs of the formal sector. Combining autonomy with selective intervention can help organizations improve their leadership strategies, thereby increasing team performance and organizational effectiveness.

## **1.2. Research Problem**

The research problem explored in this study is the unclear impact of laissez-faire leadership on team performance within the operation and maintenance sector, where precise coordination and effective communication are crucial. Laissez-faire leadership, marked by minimal oversight and high autonomy, can produce varied outcomes, from fostering creativity to creating ambiguity, reducing accountability, and potentially diminishing team performance.

### **1.2.1. Theoretical Gaps**

Current literature largely focuses on transformational and transactional leadership styles and their effects on team performance, while studies on laissez-faire leadership in process-driven sectors like operation and maintenance remain limited. This theoretical gap raises questions about whether laissez-faire leadership can generate positive outcomes in structured environments or if its low level of oversight may adversely impact team coordination and performance. Addressing this theoretical gap is critical for understanding how leadership styles can be effectively applied in high-stakes environments.

### **1.2.2. Practical Gaps**

Although laissez-faire leadership has been examined in creative and research-oriented fields, there is limited empirical evidence regarding its specific influence within the operation and maintenance sector. Research on laissez-faire leadership often generalizes its effects without accounting for the unique operational demands, such as the high need for task clarity,

coordination, and safety protocols, characteristic of operation and maintenance. Thus, an empirical investigation focused on this sector is necessary to assess how laissez-faire leadership specifically affects team performance, accountability, and productivity.

**To what extent does laissez-faire leadership affect team performance, coordination, and accountability in the operation and maintenance industry, specifically within Albiquaahh Altahira Company in Saudi Arabia?**

### **1.3. Research Significance**

This research aims to bridge critical gaps in academic literature and practical applications within the operation and maintenance industry, providing valuable insights that contribute to both theoretical advancement and real-world practices

#### **1.3.1. At the theoretical level**

This study advances the understanding of laissez-faire leadership by examining its effects within the operation and maintenance sector, a context where a balance between autonomy and oversight is essential. By investigating how team performance may vary when autonomy is emphasized in environments requiring frequent communication and coordination, this research contributes to the broader literature on leadership. These insights will serve as a foundation for future studies on leadership

styles that might appear counterintuitive in structured sectors but could offer unexpected benefits when applied thoughtfully.

### **1.3.2. At the practical level**

Beyond its theoretical contributions, this research has substantial practical implications for leaders and organizations in the operation and maintenance sector, particularly in Saudi Arabia. By exploring how laissez-faire leadership affects team performance, this study provides guidance on adapting leadership approaches to balance team autonomy with necessary oversight effectively. The findings will assist organizations in developing strategies to maximize team efficiency, avoid potential misapplications of laissez-faire leadership, and enhance overall productivity. Given the importance of coordination, safety, and accountability in operation and maintenance, a clearer understanding of laissez-faire leadership's effects can prevent common issues like miscommunication and morale decline. Moreover, by focusing on the Saudi Arabian context, this research offers localized insights, supporting organizations in adopting culturally aligned leadership practices that enhance workforce engagement and operational success.

## **1.4. Research Questions**

- In what ways does laissez-faire leadership affect the ability of team members to seek support and guidance when needed?
- What are the perceptions of team members about the level of mutual trust under laissez-faire leadership?
- How does the combination of autonomy, mutual trust, and situational support in laissez-faire leadership contribute to or detract from team success in the operation and maintenance context?

## **1.5. Research Objectives**

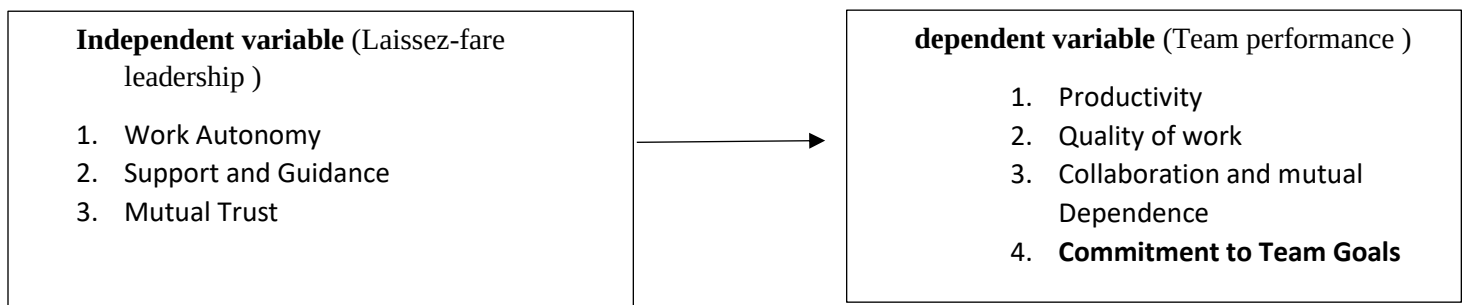
- Explore the effects of autonomy provided under laissez-faire leadership on team productivity and task efficiency.
- Determine the role of mutual trust between leaders and team members in improving or hindering performance under laissez-faire leadership.
- To investigate the combined effects of autonomy, mutual trust, and situational support under laissez-faire leadership on team success in the operation and maintenance sector.

## **1.6. Research Hypotheses**

- (a) Higher levels of autonomy provided under laissez-faire leadership are positively associated with team productivity and innovation in the operation and maintenance sector.
- (b) The absence of timely support and guidance in laissez-faire leadership negatively impacts problem-solving efficiency in operation and maintenance teams.

- (c) Increased mutual trust between leaders and team members under laissez-faire leadership significantly enhances team morale and task completion rates.

## 1.7. Research Model



## 1.8. Scope of The Study

Al-Biqaa Al-Tahira Operation and Maintenance Company is one of the leading companies in Saudi Arabia specializing in facility management, operation, and maintenance. Established on a solid foundation of commitment to quality and excellence, the company provides comprehensive and integrated services that cater to the needs of various sectors, both governmental and private.

The company focuses on implementing the highest professional standards by utilizing the latest technologies and best practices in the field of operation and maintenance. Through a specialized and qualified team, it strives to ensure the sustainability of facilities, enhance their operational efficiency, and reduce operational costs, ultimately achieving customer satisfaction while maintaining a safe and sustainable work environment.

Al-Biqaaah Al-Tahira is distinguished by its ability to deliver innovative and tailored solutions aligned with the specific needs of each client. Whether it is facility management, maintenance of electrical and mechanical systems, or cleaning services, the company has earned its reputation as a trusted partner for many major organizations in the Kingdom, thanks to its extensive expertise and forward-looking vision.

## **1.9. The Project Structure**



## **2.Chapter 2: Literature Review**