

# The Effective Leadership and Developing the Egyptian Countryside

**The Role of LMX, Transformational and Adaptive leadership in Developing the Egyptian Countryside in Consideration of the Economic and Political Challenges**

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## The Role of LMX, Transformational and Adaptive leadership in Developing the Egyptian Countryside in Consideration of the Economic and Political Challenges

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### Abstract

The purpose of this study was to determine empirically the influence of leadership effectiveness on succeed the experience of developing the Egyptian countryside through the presidential initiation Decent Life “ Haya Karima “In addition, this study investigated the moderating role of economic and political challenges in the relation of leadership performance and Egyptian countryside development Design/methodology/approach Data were gathered from official Egyptian websites, periodical United Nation reports and periodical The world Bank reports. The findings of this study revealed positive and significant relationships between effective leadership performance representing in three main theories; Leader Member exchange theory, transformational theory and adaptive theory , and Egyptian countryside development representing in the presidential initiation Haya Karima . another finding for this study is that economic and political challenges have negative moderating effect on the positive relationship between leadership performance and Haya Karima . This study makes vital theoretical contributions in different ways. In the domain of motivation , trust building between leaders and followers effective leadership performance and how it enhance creativity and innovation and enhance followers performance.

## Chapter 1

### 1.1 Introduction

In today's rapidly changing world, effective leadership plays a pivotal role in driving the development and growth of nations. This is particularly true in the case of developing countries like Egypt, where the significance of strong leadership is even more pronounced, given the challenges faced in rural areas and the urgent need for sustainable development. The development of the Egyptian countryside poses significant economic and political challenges that require effective leadership strategies to overcome. The effective utilization of leadership styles such as Leader-Member Exchange (LMX), Transformational Leadership, and Adaptive Leadership can play a crucial role in addressing these challenges and fostering the development of rural areas. This research paper aims to explore the impact of these leadership approaches in developing the Egyptian countryside, considering the economic and political complexities inherent in such endeavors.

LMX, or Leader-Member Exchange, focuses on the quality of relationships between leaders and their followers. In the context of developing the Egyptian countryside, LMX leadership emphasizes the establishment of strong, trusting relationships between leaders and rural

communities. This style recognizes the unique needs and aspirations of individual community members and promotes inclusive decision-making processes. By fostering positive leader-member relationships, LMX leadership can encourage community participation, enhance cooperation, and facilitate the implementation of development initiatives tailored to local contexts.

Transformational Leadership is another style that holds great potential in the context of rural development. Transformational leaders inspire and motivate followers through a compelling vision, intellectual stimulation, individualized consideration, and charismatic behavior. In the Egyptian countryside, transformational leaders can effectively communicate a vision for progress, encouraging residents to envision and actively contribute to the transformation of their communities. By stimulating creativity, empowering local stakeholders, and fostering a sense of ownership, transformational leadership can mobilize resources and drive sustainable development in the countryside.

Adaptive Leadership, on the other hand, focuses on navigating and responding to complex challenges and uncertainties. The economic challenges present formidable barriers to rural development. Adaptive leaders possess the ability to assess these challenges, identify necessary changes, and adapt their approaches accordingly. They exhibit flexibility, resilience, and the capacity to engage with diverse stakeholders to address emerging issues. By applying adaptive leadership strategies, leaders can navigate political complexities, advocate for rural interests, and align development initiatives with changing economic dynamics.

Effective leaders can prioritize investments in development by launching presidential initiation Haya Karima. The phrase "Haya Karima," or "decent life," aims to address reduce the development gap and provide safe and decent life for vulnerable people in most poor villages through supporting infrastructure, housing, education, health, and facilitate all governmental services, as well as encouraging microenterprises and economic empowerment. This initiation is targeting more than 58% of the Egyptian citizens.

In light of the emergence consecutive global crises, such as the pandemic of Corona virus, which affected the economy of the whole world especially the emerging countries and caused a global recession, then the Russian-Ukrainian war, which created new economic crises, especially in the field of food security. In this time the effective and adaptive leadership plays pivotal role to control the repercussions of the crisis and reduce its impact on citizens, and the biggest challenge is to maintain the development plan on track during these exceptional circumstances.

In conclusion, the effective development of the Egyptian countryside necessitates leadership styles that consider the economic and political challenges at hand. LMX, Transformational, and Adaptive Leadership offer complementary approaches to address these challenges, fostering inclusive decision-making, inspiring change, and adapting to complex circumstances. By leveraging these leadership styles, leaders can empower rural communities, promote economic growth, and navigate the political landscape to ensure sustainable and inclusive development in the Egyptian countryside. This research paper will examine case studies, analyze leadership theories, and provide recommendations for fostering effective leadership in developing the Egyptian countryside in consideration of economic and political challenges.

## 1.2 Research Question

This research paper is discussing and raising main question; do applying leadership theories as LMX, transformational and adaptive leadership theory has an effective impact on the success of the developing process in the Egyptian countryside in presence of economic and global political challenges?

## 1.3 Problem Statement

The Egyptian countryside before the presidential initiation Decent Life ( Haya Karima ) has suffered for many years from poor infrastructure and facilities, which led to a development gap in its villages, which resulted in an increase in poverty , illiteracy and unemployment rates in the villages of the Egyptian countryside and an increase in the rate of migration from villages to cities in search of a better standard of living and job opportunities. Presidential initiative, this was the motive behind the Haya Karima for developing the most vulnerable villages in the Egyptian countryside.

### What is the Meaning of Development Gap? How Could it be Measured?

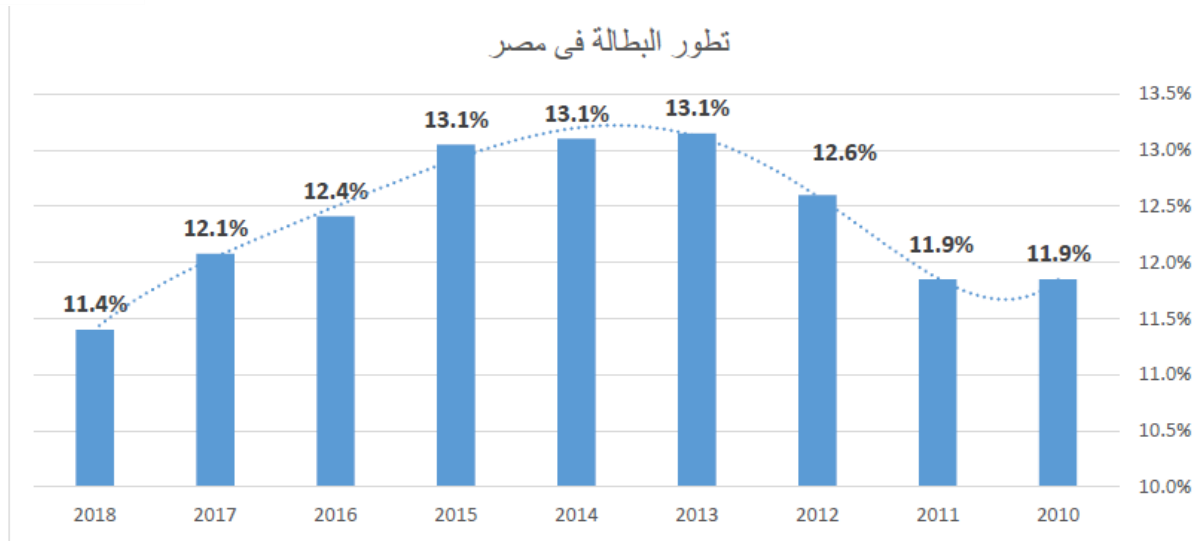
The development gap refers to the widening gap between the richest (most developed) and poorest (least developed) countries of the world. Development in this sense can be referred to as either economic development where the country has an increase in wealth, or human development where quality of life is improved for the people who live there . It could be measured by using various human and economic indicators, development data, comparisons and statistics. (Nation, 2022)

### What is the Economic Indicators for Development Gap in the Egyptian Countryside before Haya Karima?

First , infrastructure Egypt ranked (96) Internationally among 138 country in Achieve basic requirements of Infrastructure Index in 2016-2017 (CapMas, 2018).

The second indicator is the unemployment rate which is the deficiency of job opportunities for a person who has the ability to work and searching for work for period more than six months. . 60% of Egyptians are under the age of 25, so the unemployment rate after the 2011 revolution increased to 13.1% in 2013 and remained high through 2015. This high rate is a result of the economic depression, which had an impact on job opportunities.

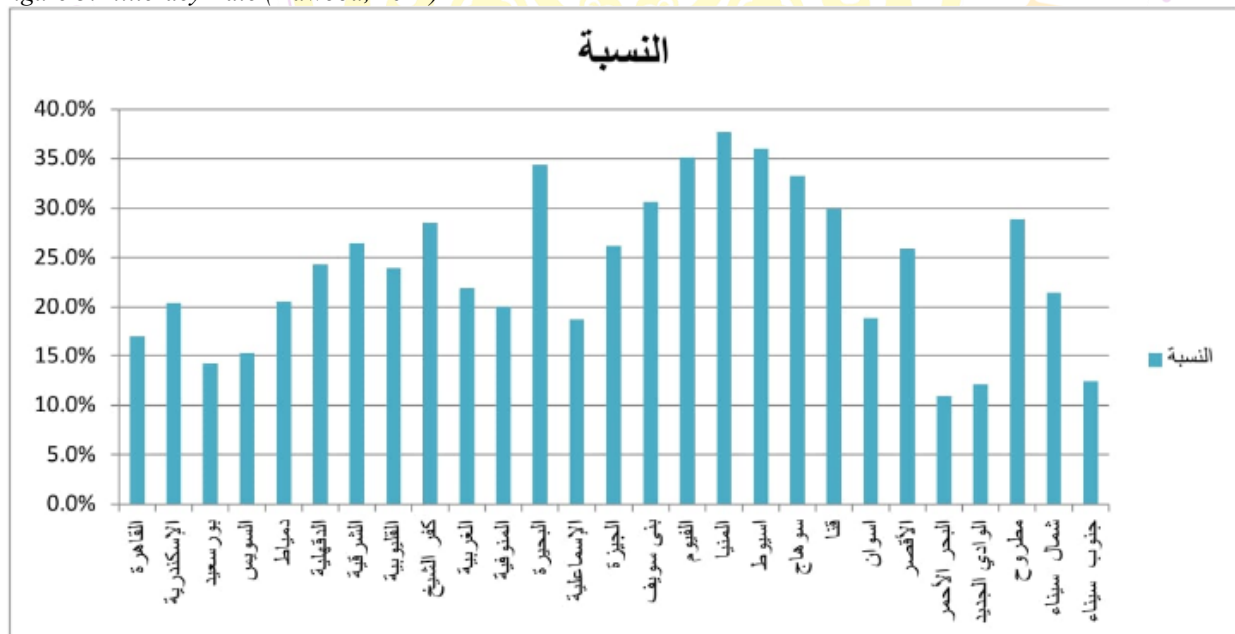
Figure 1 : Unemployment Rate in Egypt



Source: (CapMas, 2018)

Third indicator is the illiteracy rate rises if it is calculated from the population of 15 years or more as used in international indicators. According to the estimates of the Central Agency for Public Mobilization and Statistics (CapMas, 2018), the number of illiterates in Egypt reached 17.4 million, at a rate of 26.1% of the total population over the age of 15 years.

Figure 3: Illiteracy Rate (Dawood, 2021)



Fourth indicator is poverty rate An increase in poverty rates in the country, reaching 32.5 percent of the population at the end of the fiscal year 2017/2018, compared to 27.8 percent for the year 2015/2016. In addition, approximately 46 villages in the governorates of Assiut and Sohag, in



Upper Egypt, have a poverty rate ranging from 80 to 100 percent, in addition to the suffering of 236 villages in Sohag from poverty, which is a rate of 87 percent of the villages in the governorate, which made it The highest rates are recorded among the poorest 1,000 villages in Egypt. (CapMas, 2018).

### **Has the Application of Leadership Theories Succeeded in Achieving Development in the Egyptian Countryside Focusing on LMX , Transformational and Adaptive Leadership Theory?**

Applying various leadership theories has significant impact on the performance and outcome, LMX theory based on building trust between leader and follower and open the door to creativity ,on the other hand transformational leadership encourage inspiration , motivation and innovation applying this on the Egyptian experience ,the "Decent Life" initiative, endorsed by President Abdel Fattah Al-Sisi, seeks to enhance the living conditions in the most impoverished rural communities as part of Egypt Vision 2030. Recognizing that genuine development occurs at the governorate level rather than through centralization, the initiative acknowledges that each governorate possesses distinct competitive advantages and resources. Its primary objective is to tackle multidimensional poverty and reduce unemployment rates by improving the economic, social, and environmental standards of families residing in impoverished villages. By enabling these families to access essential services and creating job opportunities, the initiative aims to promote self-sufficiency and independence among citizens (Karima, 2023) .

The Egyptian President has called for the cooperation of government institutions, civil society, and the business sector to achieve the "Decent Life" initiative's goals of improving the living conditions in rural communities. The initiative aims to provide a decent life for citizens in rural areas within three years, focusing on villages that lack basic services, have low education rates, limited healthcare access, poor transportation networks, and high poverty rates. The government has allocated approximately EGP 500 billion for comprehensive development in these targeted villages to bridge the urban-rural gap. The selection of villages was based on well-defined criteria and data from the Central Agency for Public Mobilization and Statistics. The initiative includes direct interventions such as infrastructure development, training, employment, and childhood development, as well as indirect interventions like healthcare services, provision of prosthetic devices, subsidized food, and environmental services like waste management.

### **Do the Political and Economic Challenges have an Impact on the Role Played by the Effective Leadership in Developing the Egyptian countryside?**

Adaptive leadership has significant role to adapt with any changes and having proactive plan for any circumstances the effect of many political and economic challenges on achievement rate and if it can disrupt ongoing projects and discourage long-term planning. Effective leadership is necessary to navigate these challenges, maintain stability, and ensure continuity in development initiatives.

## 1.4 Target Audience

1. **Academics and Researchers:** Scholars and researchers in the fields of leadership, organizational behavior, development studies, and political science who are interested in understanding the role of leadership in developing rural areas within the context of economic and political challenges. They may be interested in the theoretical framework, methodologies, and findings of the research.
2. **Policy Makers and Government Officials:** Government officials and policymakers in Egypt or other countries facing similar challenges in developing their rural areas. They could benefit from the insights and recommendations provided in the research to inform their policies and decision-making processes related to rural development and leadership practices.
3. **Non-Governmental Organizations (NGOs) and Development Practitioners:** Organizations and professionals working on rural development projects and initiatives in Egypt or other similar contexts. The research can provide them with evidence-based insights and practical recommendations on effective leadership approaches, such as LMX, transformational, and adaptive leadership, to enhance their interventions and programs.
4. **Business Leaders and Entrepreneurs:** Leaders in the private sector, especially those with interests or investments in rural areas or agricultural industries. They may be interested in understanding the impact of leadership styles on the development of the Egyptian countryside, as it could provide insights for their own leadership practices and potential business opportunities.
5. **Students and Educators:** Students and educators in leadership studies, international development, or related disciplines who want to expand their knowledge and understanding of leadership's role in rural development. The research can serve as a valuable resource for academic purposes, coursework, and discussions.
6. **General Public and Civil Society:** Individuals interested in rural development, economic challenges, and political dynamics in Egypt

## 1.5 Research Variables

*Independent Variable* : The Egyptian countryside development

*Dependent Variable* : Effective leadership

*Moderating Variables* : Economical changes – Political Changes

## 1.6 Research limitation

*Limit 1:* Limited to Egypt countryside as applied research.

*Limit 2:* The theoretical framework is limited to the variables included in the model

*Limit 3:* The data and statistics is provided from official Egyptian websites .

## 1.7- Research Objectives

The research objective to explain the relation between effective leadership representing in three leadership theories (LMX, transformational and Adaptive) and Egyptian countryside development taking in consideration the political challenges and the economic challenges.

## Chapter 2: Theoretical Background and Hypotheses Development

### 2.1 Theoretical Background and Literature Review

#### 2.1.1 Leader Member Exchange Theory LMX

Based on Leader Member Exchange theory LMX that addresses leadership as a process centered on the interactions between leaders and followers. It makes the leader member relationship the pivotal concept in the leadership process, it conceptualizes leadership as a process that is centered on the interactions between leaders and followers. LMX theory makes the dyadic relationship between leaders and followers the focal point of the leadership process. (Northouse, 2022). In (guide, 2021) The LMX 7 scale measures how much mutual respect for one another's abilities, growing mutual trust, and a strong sense of obligation exist between leaders and followers. These factors, when combined, influence whether or not followers will belong to the leader's in-group or out-group. From different work supervision it is noticed that leaders in organizations tend to form special relationships with some followers and non-special or ordinary relationships with others. These relationships form quickly, perhaps over no more than several months, and are relatively stable. "In-group" members are those who receive special attention. They are often given additional responsibility, placed into settings where they may prove themselves and create critical contacts, and are first to be provided exceptional opportunities or resources. (Patterson, 2022)

#### 2.1.2 The Impact of Leader Member Exchange LMX on Creativity and Innovation

Creativity and innovation are connected concepts. Individual creativity concentrates on coming up with novel and beneficial ideas, whereas innovative behavior also includes putting those ideas into practice. The first stage of the innovation process, which also includes the dissemination of ideas and their execution, is thought to be creativity. Within their organizations, it plays a significant role in determining their work attitudes, effectiveness, and career success. Loyalty, expressing trust and respect, characterizes high-quality leader-member relationships, while low-quality leader-member relationships are known for low respect, a lack of loyalty, and reflecting mistrust. A healthy leader-member relationship necessitates mutual trust and teamwork. On the part of both managers and members staff (khalili, 2018) in order to accomplish the goals of an organization, leaders face challenges in establishing effective interactions with different workforces.

Therefore, it is necessary to manage communication effectively, inspire the well-being of employees by creating a sense of security and harmony (Fry, 2003), and reduce uncertainty by instilling confidence in the workplace vision and goals (Fry, 2003; Fry et al., 2005). These actions encourage employees to proactively demonstrate innovation. Leadership style plays a crucial role. It encompasses elements such as vision (the leader's description of a meaningful future for the organization), hope/faith (the leader's belief in achieving the vision), and altruistic love (the



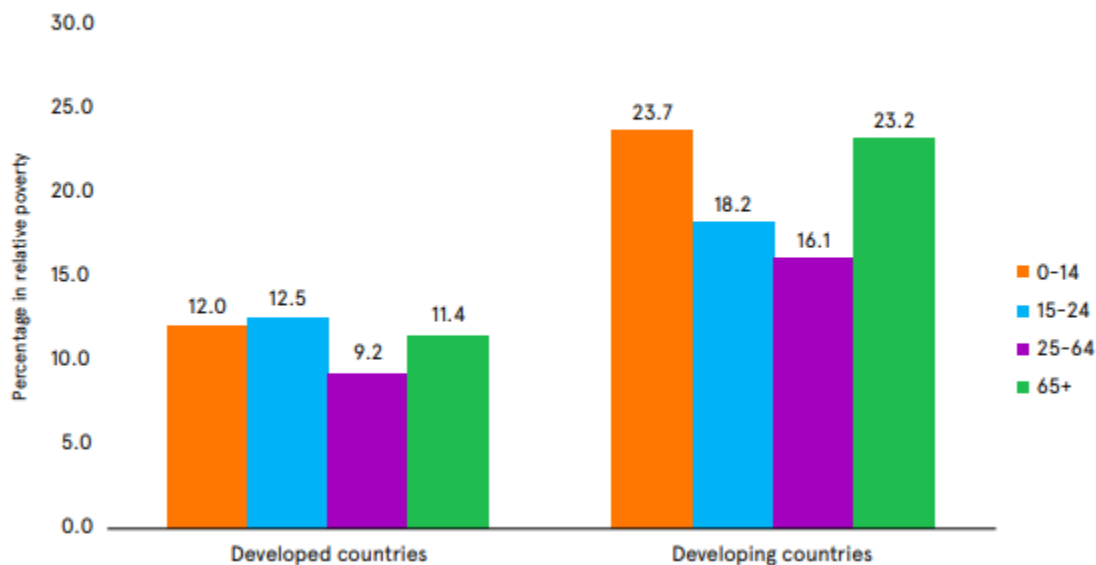
leader's care, support, respect, and appreciation for followers). These aspects motivate employees to fulfill their own well-being and contribute to the overall success of the organization. (khalili, 2018).

### 2.1.3 The impact of applying LMX Theory on the Egyptian Experience

Cross-country estimates indicate that levels of extreme income poverty are generally lower among older individuals compared to children and the working-age population. However, poverty measures vary across countries and income levels. Developed countries often define poverty as relative to the country's mean or median income. The proportion of people living below 50% of each country's median income, disaggregated by age, sex, and disability status, is part of the SDG global indicator framework. Relative poverty disparities between the working-age population, older individuals, and children are more pronounced in developing countries. Developed countries have more comprehensive social protection systems, including generous public pensions and broader access to healthcare, which have effectively addressed economic insecurity among older individuals. Despite intergenerational households being more prevalent in developing countries, age-related differences in relative poverty are still significant, highlighting the need for further support to prevent older and younger (Nations, 2023).

Figure 5: Population Living in Poor Households by Broad Age Group

Share of the population living in relatively poor households by broad age group, late 2010s (or latest year with data)



Source: (Nations, 2023)

LMX addresses leadership as a process centered on the interactions between leaders and followers and this encourage respect for one another's abilities, growing mutual trust, and a strong sense of obligation exist between leaders and followers , it also encourages creativity and innovation which

lead to best performance and consequently development .Since more than 60% of the Egyptian population in youth age under 30 (Egypt U. , 2019) , so this age group representing Egypt chance and hope for development and improvement .Implementing of LMX theory the Egyptian leadership representing in the President Abdel Fattah El-Sisi, President of the Republic, idea of the program began with the announcement of the initiative of President Abdel Fattah El-Sisi, President of the Republic, for the “Presidential Program to Qualify Youth for Leadership” in September 2015, with the aim of creating a strong and rich base of youth competencies to be qualified for political, administrative, and community work in the country, by introducing them to the latest management theories. scientific and practical planning, and increasing its ability to apply modern methods to confront the problems surrounding the Egyptian state. (Academy, 2023)

The result of this is It provided Egypt with a group of qualified young cadres who were able to occupy many leadership positions and opened the gate to relativity and finding creative solutions for social and economic problems as the dream of decent life for all Egyptians. The idea began was the dreams of Egyptian youth to prepare a comprehensive development plan to create a decent and sustainable life for the most vulnerable groups by conducting field studies, monitoring the needs of families and villages most in need, inventorying the natural resources 4- investment opportunities available for their optimal use. (Karima, 2023) . The national political leadership responded to the youth's vision, as President Abdel Fattah El-Sisi launched on 2nd January 2019 that initiative, which represented a dream for all Egyptians, with the aim of improving the quality of life for the most vulnerable groups in all governorates of Egypt.

**Hypotheses 1:** There is positive relationship between LMX leadership and development of Egyptian countryside ( Haya Karima)

#### ***2.1.4 Transformational Leadership***

Transformational leadership focuses on the manner in which specific leaders have the ability to motivate their followers to achieve remarkable accomplishments. This style of leadership emphasizes the importance of leaders comprehending and adjusting to the desires and motivations of their followers (Northouse, 2022). Transformational leadership is a procedure in which an individual interacts with others, establishing a bond that enhances motivation and ethical values for both the leader and the followers. This style of leadership involves being mindful of the followers' needs and aspirations and making efforts to assist them in achieving their utmost capabilities. Burns cites Mohandas Gandhi as a prime illustration of transformational leadership, as Gandhi elevated the aspirations and expectations of countless individuals, undergoing personal transformation in the process (Patterson, 2022) , These types of leaders possess vision, inspiration, courage, a willingness to take risks, and thoughtful insights. They possess a charismatic quality that draws others towards them. However, charisma alone is not enough to bring about significant changes in the functioning of an organization (guide, 2021) .

#### ***2.1.5 Transformational Leadership Style as an Effective Leadership***

There are four primary types of behaviors associated with effective transformational leadership. These behaviors include the ability to inspire a vision, uphold standards, facilitate integration, and foster personal and professional development. As we delve deeper into defining these behavior

categories, we find that they align with the model of transformational leadership that has been presented.

To be an effective leader, one must possess the qualities of a vision-builder. A vision-builder is skilled at bringing a vision to life by setting specific and achievable goals, taking action, and engaging others in the process. These leaders bear the responsibility of communicating "how" things should be done by weaving together intentions that encompass vision casting, values, and trust. In addition to being an effective vision-builder, a successful leader must also embody the role of a standard-bearer. They recognize the significance of establishing ethical standards, promoting accountability, and ensuring the proper execution of ethical behaviors. Furthermore, they understand the importance of cultivating an environment where followers believe in the established culture.

To be recognized as a standard-bearer, leaders must grasp their role as described by Burns (1978) when he introduced the concepts of transformational and transactional leadership. According to this perspective, transformational leadership, in its essence, becomes inherently moral as it elevates the standards of human conduct and ethical aspirations for both the leader and the followers. As a result, it has a transformative impact on all individuals involved. It is the individuals within the organization who undergo transformation, not the organization as a whole.

Without this kind of personal transformation, leaders may struggle to materialize their vision. An effective leader must also possess the qualities of an integrator. The integrator is someone who stimulates change, coordinates activities, and assesses progress. They strive to harmonize their ideas, beliefs, and emotions to consistently engage with people within the organization. Integrators are adept at identifying opportunities and aligning resources toward shared objectives. The core framework for an integrator involves fostering open and transparent communication, building trust, and creating opportunities for inclusion and collaboration.

When an integrator can positively influence the human resources for which they are accountable, they demonstrate a transformational leadership style. Another basic behavior of the effective leader is that of a developer. This leader must create environments that foster life-long learning while helping others develop through teaching, training and coaching. A basic role for the leader is to help formulate the base of operation for staff or the knowledge base from where new ideas are generated.

One of the major behavioral tasks of any leader is to maximize the efficiency of the staff and their performance. High quality development is critical to achieving results, but it does not happen automatically. Decisions lie behind people who take action. Teaching, training and coaching accelerates decision velocity and are leverage points for creating change at all levels in the organization (Bottomley, 2014).

### *2.1.6 The Impact of Applying Transformational Leadership on the Egyptian Countryside Development.*

On January 2, 2019, President Abdel Fattah El-Sisi believe in the dream of village development and announced the dream of raising the Quality of living of more than 58% of Egyptian citizens

from the most vulnerable groups, and building the Egyptian human being, by inviting Egyptian institutions and civil society organizations to participate in the national initiative "Haya Karima" Decent Life". He inspired the Egyptian people that building the Egyptian man is the main foundation on which it will be built the future of Egypt, and in order to achieve this, it is necessary to improve the quality of life of all citizens in the poorest villages and the most needy areas in order to fill the development gap.

He could gather all of the Egyptian organizations, civil society organizations and the various groups of people around one goal, one dream which is a national project for development. Selection criteria were developed for the poorest villages, and the needs of each village were collected in accordance with its culture and its capabilities to provide the maximum benefit. The work began in 1477 villages as stage 1 to fill the development gap in all aspects, with periodical monitoring and assessment for accomplishment rate and the quality of working. (Karima, 2023)

The initiative includes four main axes as follows: Raise living standards and invest in human capital, Infrastructure services development, Improving the quality of human development facilities, Achieving sustainable development including: improving access to basic services such as health, education, water and sanitation in the poorest villages.

### The Achievement Rate

According to the Egyptian prime ministry report (Elmenshawy, 2021) and the Egyptian ministry of planning and development report (unit, 2022)

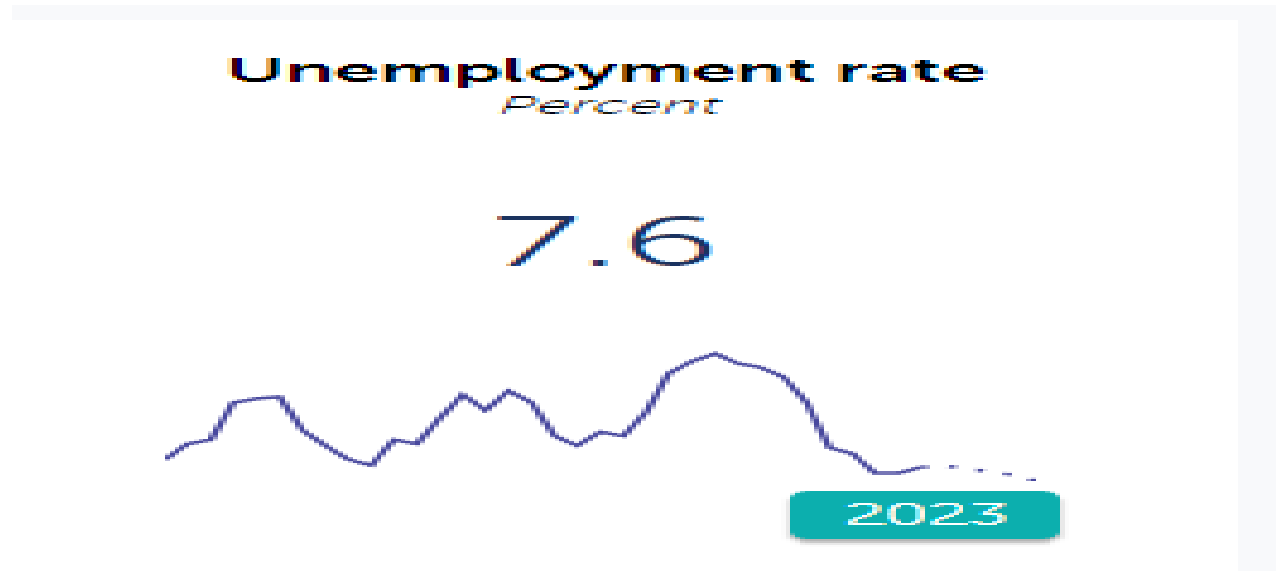
1. Quality of Life Index the villages in the first phase of the "Decent Life" initiative witnessed an improvement in the Quality of Life Index. Which is a composite index that measures the impact of state efforts. The index improved by approximately 18%.
2. The average poverty rate in the villages of the first phase decrease in the poverty rate was around 14%.
3. Goal 3 of Sustainable Development Goals (Good health and well-being) :
  - Health care coverage improved by approximately 24%.
  - The Ministry of Planning launched 255 medical convoys.
  - 1,335 surgeries were performed.
  - 538 artificial devices were provided.
  - 5,420 eye surgeries were conducted.
  - 16,500 medical glasses were distributed.
  - 12 health units were completed by the end of the fiscal year 2020/2021.
4. Infrastructure Development:
  - 1,637 household water connections were established.
  - 49 groundwater wells were drilled.
  - 21 villages were connected to the sewage system.
  - Services will be provided to a total of 55 villages in the fiscal year 2020/2021.
5. Goal 8 of Sustainable Development Goals (Decent work and economic growth): Small projects worth 438 million pounds were provided. 71,000 job opportunities were created in several governorates, including Assiut, Sohag, Qena, Qalyubia, Minya, Aswan, and Luxor.



6. 11 veterinary units, 21 youth centres and playgrounds, and 9 social units. Furthermore, 11,000 lighting poles were installed.

The unemployment rate decreased from 11.4 before Haya Karima initiation and the other economics activities after 2018 to reach 7.6 in the first quarter of the year 2023 . (Fund, 2023)

Figure 4 : Unemployment Rate 2023



Source: (Fund, 2023)

**Hypotheses 2:** There is positive relationship between transformational and development of Egyptian countryside ( Haya Karima).

### 2.1.7 Adaptive Leadership Theory

Adaptive leadership is about how leaders encourage people to adapt—to face and deal with problems, challenges, and changes. Adaptive leadership focuses on the adaptations required of people in response to changing environments. Simply , adaptive leaders prepare and encourage people to deal with change (Northouse, 2022) . Adaptive leadership is a valuable approach that empowers individuals and organizations to navigate challenges, embrace change, and thrive. This style of leadership entails diagnosing current situations, disrupting existing patterns, and fostering innovation to cultivate capabilities that align with organizational aspirations. It revolves around three essential factors:

- Distinguishing between precious and expendable elements: During periods of transition, an important question arises: What aspects are worth preserving and which ones are no longer beneficial? Adaptive leaders recognize the need to let go of elements that were once cherished but no longer contribute to the organization's progress.

- Encouraging experimentation and calculated risks: Adaptive leaders guide and inspire creativity and innovation that align with the organization's goals. They foster an environment where the next steps are developed and tested, acknowledging that mistakes and setbacks are inevitable. They

understand that these challenges serve as learning opportunities and catalysts for the organization's growth.

- Conducting disciplined assessments: Once the trial phase of implementing new approaches is completed, adaptive leaders focus on integrating these "next" practices and intelligent risks into the organization. They diligently monitor the impact of new systems and processes, report their findings, and collaborate with teams to make necessary adjustments for continuous improvement. By embracing these principles, adaptive leaders effectively navigate change, foster innovation, and drive the organization towards new heights of success (university, 2021)

### *2.1.8 Impact of Adaptive Leadership on Egyptian Countryside Development*

#### **Technical Adaptation**

Because Egypt is heading towards digitization and linking all state systems with one technology structure, in addition to applying financial inclusion. Therefore, it has planned Haya karima projects to work with the digitization system, and here the challenge lies in how to qualify each of the employees of these systems, as well as citizens, to leave the old paper system and bureaucratic transactions and accept digital transformation . Here comes the role of adaptive leadership, as Egypt takes several actions in order to adapt to this, such as:

1. Connecting internet service in the villages of Haya karima.
2. Equipping the project buildings in those villages with a technological structure in order to carry out a digital transformation.
3. Training workers in all relevant ministries to work with the digital transformation system and providing many courses in cooperation with Microsoft.
4. Training and awareness sessions for citizens in these villages on how to deal with the digital transformation and financial inclusion system.

#### **Environmental Change Adaptation**

Haya Karima project aims at sustainability and saving the environment, Because of the environmental changes that resulted in global warming, the role of the adaptive leadership came with that through many actions , including changing the traditional charcoal production ovens that are spread in the Egyptian countryside to ovens that produced new environmentally friendly charcoal at Reduced cost and payment facilities for coal producers, with fines imposed on users of traditional coal ovens , in addition to holding many awareness seminars for saving the environment and their harmful effect on these individuals for the environment and the health of citizens.

In addition to preparing cleansing water canal, for preserving water loss, some diseases prevention.

#### **Proactive Plan Adaptation**

Develop a proactive plan for the road networks that will be used by citizens during the rehabilitation of the current roads by equipping them with a complete infrastructure of sewage networks, drinking water, electricity, natural gas, communication cables and the Internet, in addition to paving the roads to pave them.

Preparing alternative houses for needy citizens during rehabilitation for their unsafe and unqualified houses , in addition to safe evacuation plan for them.

Preparing alternative schools for vulnerable students during rehabilitation for their schools or building new schools to reduce class capacity and enhance the educational process.

**Hypotheses 3:** Adaptive leadership has positive relationship with Egyptian countryside development .

### *2.1.9 Impact of Economic and Political Challenges on the Relation between Effective Leadership and Egyptian Countryside Development.*

#### **Economic Challenges**

The crisis is defined as a significant danger to the survival of a system, which allows very little time for response and involves a complex situation with insufficient resources to deal with it. According to these authors, a crisis can question the continued existence of a system, leading to various consequences for the organization Lacerda suggests based on Kamer, Taylor, 1995 that the behaviors exhibited by an organization during a crisis can result in positive, negative, or developmental outcomes. A crisis poses a threat to the organization's survival and has devastating effects that require immediate and urgent attention. While some crises originate from failures within the organization itself, others arise from external factors that impact the global economy and organizations worldwide (Lacerda, 2018).

(Lacerda, 2018) mentioned that in recent literature, the idea of crisis leadership has gained prominence as a strategic process that prioritizes human relationships, contrasting with crisis management, which is seen as a more tactical approach. traditional crisis management based on operational and tactical responses is not sufficient in handling the fallout from an economic crisis given its large scale, greater frequency, and rapid dissemination.

#### *2.1.10 Economic Impact of COVID19*

According to The World Bank report in 2022 (Bank, 2022) The COVID-19 pandemic caused significant disruption to the global economy, resulting in the largest economic crisis in over a century. This crisis exacerbated inequality both within countries and across nations. Initial evidence suggests that the recovery from this crisis will be uneven, with emerging economies and disadvantaged groups requiring more time to regain the income and livelihoods lost during the pandemic. Unlike previous crises, the pandemic prompted a swift and substantial economic policy response that effectively mitigated some of its immediate adverse effects on people. However, this emergency response also introduced new risks, such as a substantial increase in private and public debt worldwide. These risks have the potential to hinder an equitable recovery from the crisis unless they are addressed decisively. The pandemic affected economy in several ways:

- The pandemic had severe economic impacts, particularly in emerging economies, where income losses worsened pre-existing economic vulnerabilities.
- Many households and firms were unprepared to handle the scale and duration of the income shock caused by the pandemic.

- Studies indicate that a significant percentage of households in both emerging and advanced economies lacked the financial capacity to sustain basic consumption for more than three months in the event of income losses.
- Businesses, on average, had cash reserves that could cover fewer than 55 days of expenses.
- Prior to the crisis, many households and firms in emerging economies were already burdened with unsustainable levels of debt, making it difficult for them to service their debt when faced with a sharp decline in income and business revenue.
- The pandemic led to a sharp increase in global poverty and inequality, with income losses disproportionately affecting disadvantaged populations.
- Temporary unemployment rates were higher for workers with only a primary education, and income losses were more significant among youth, women, the self-employed, and casual workers with lower levels of formal education.
- Women, in particular, were heavily impacted by income and employment losses due to their higher representation in sectors that were greatly affected by lockdown and social distancing measures.

### *2.1.11 Egyptian Leadership Adaptation to COVID19 Crises*

The COVID-19 pandemic caused significant disruption to the global economy and represented a huge obstacle in front of any development plans especially on the emerging countries . Although according to UNICEF 2020 (UNICEF, 2020) The Egyptian government has swiftly responded to the COVID-19 pandemic in order to minimize the negative effects on vulnerable populations. Several measures have been implemented, including:

- Social Assistance: Informal workers registered with the Ministry of Labor and Manpower's database received a one-time payment of EGP 500 for three months. Additionally, an extra 160,000 households were included in the Takaful and Karama Cash Transfers program.
- Social Insurance: Contributions to social insurance were exempted for a few months across all enterprises. The government encouraged payments through e-wallets and established a database of casual workers, expected to reach 12 million. Currently, only 417,000 workers are registered with the National Organization for Social Insurance. The government is also exploring the possibility of extending support to 12,424 negatively affected tour guides.
- Support for the Public Health Sector: Measures were implemented to allocate 11 billion EGP for medical supplies, risk allowances, and exceptional bonuses for medical staff.
- Education: The operation of educational facilities was suspended, and a shift to remote learning was initiated due to the pandemic. Simultaneously, the Ministry of Education and Technical Education is working on expediting educational reforms, including the implementation of a new curriculum, improved access to quality early childhood education, and the expansion of teacher professional development.

Overall, these actions demonstrate the Egyptian government's proactive approach in addressing the challenges posed by COVID-19 and providing support to those in need.



### *2.1.12 Decent Life initiation “ Haya Karima During “ COVID 19 Crises*

According to United nation report 2019 (Nations T. U., 20119), Key enablers drive the success of this initiative:

1. The strong political leadership support.
2. The unprecedented financial allocations (around EGP 500 billion).
3. The multi- stakeholder approach of the initiative, through joint efforts between the government, civil society and the business sector. With special emphasis on citizens’ participation in needs assessment phase through establishing local committees.
4. The multidimensional nature of the initiative, through addressing the social, economic and environmental aspects of the lives of the rural communities.

This initiative has contributed to mitigating the negative impacts of COVID-19 through:

1. Improving the conditions of living for the most in need groups helped to curb the spread of the pandemic (decent housing and improved water and sanitation services).
2. Better educational and health services.
3. Economic development and employment raised the resilience of the targeted rural communities.

### *2.1.13 The Political and Economic Impact of Russian-Ukrainian War*

The Ukraine crisis is significantly affecting Egypt, particularly its dependence on Russian and Ukrainian wheat for imports. The crisis has macroeconomic implications, impacting the cost of living, poverty, food security especially Russian and Ukrainian wheat (previously 80% of total wheat imports), and child nutrition. The most vulnerable populations, including poor communities, migrants, refugees, and asylum seekers, are likely to bear the brunt of these repercussions. Inflation, particularly in food prices, is the primary channel through which Egyptians are affected by the conflict, exacerbated by the socioeconomic strain caused by the COVID-19 pandemic. Headline inflation reached its highest level in three years, driven by rising global food prices. Egypt's food price inflation is nearly double the overall inflation rate.

The devaluation of the Egyptian Pound further compounds the impacts. To mitigate these negative effects, countries should adopt monetary, fiscal, and social policies, including shock-responsive social protection programs. Holistic approaches are needed to address multidimensional poverty in areas such as nutrition, health, and protection. The policy roundtable series by the Economic Research Forum and UNICEF Egypt aims to inform policy dialogue and propose evidence-based recommendations to address the impact of the Ukraine crisis on children and families in Egypt (Forum, 2022).

### *2.1.14 The Economic Impact of Russian-Ukrainian war on Egyptian development Plan after COVID19 Crises.*

According to World Bank report in 2022 (Monitor, 2022) , Egypt is facing multiple challenges due to the Russia-Ukraine war , supply chain disruptions , and global financial conditions, resulting in increased inflation and portfolio outflows , , but . The Central Bank of Egypt has implemented exchange rate adjustments and raised key policy rates to address external imbalances. The

government has also introduced social mitigation packages to restore macroeconomic stability. Economic activity and real incomes are expected to be negatively affected in the short term, although certain sectors like gas extractives, communications, agriculture, and construction are performing well. Growth is projected to slow down to 4.5 percent in FY2022/23, with a potential increase in the poverty rate due to inflation's impact on real incomes.

Education reforms are highlighted as crucial for long-term growth, emphasizing the need to improve learning outcomes and allocate resources to the education sector. The analysis in the World Bank report "Egypt Public Expenditure Review for Human Development Sectors" underscores the importance of education in enhancing human capital, increasing potential output, and reducing poverty. The December 2022 Egypt Economic Monitor provides further details on strengthening resilience through fiscal and education sector reforms. The challenge of the Ukrainian war came in sequence with Covid 19 crises which affected the whole world . Whoever Egypt could pass through COVID19 economic challenges with light change in its development plan , However, the occurrence of sequential international crises with a significant impact causes great pressure on an emerging economy such as the Egyptian economy and is considered a major obstacle to achieving the targeted development plan.

**Hypothesis 4:** Political and Economic challenges has negative impact on the relationship between effective leadership and the Egyptian countryside development.

## 2.2 Hypotheses Development

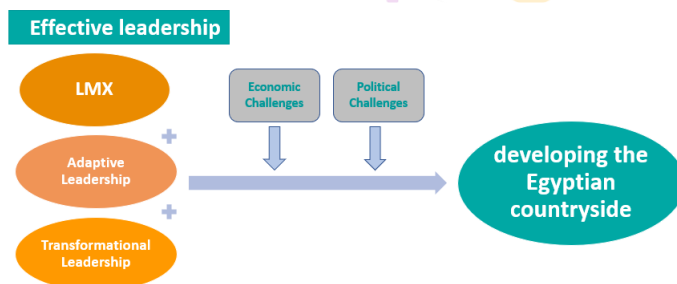
Hypotheses 1: There is positive relationship between LMX leadership and development of Egyptian countryside (Haya Karima).

Hypotheses 2: There is positive relationship between transformational and development of Egyptian countryside (Haya Karima).

Hypotheses 3: Adaptive leadership has positive relationship with Egyptian countryside development (Haya Karima).

Hypothesis 4 : Political and Economic challenges has negative impact on the relationship between effective leadership and the Egyptian countryside development (Haya Karima).

## Hypotheses Model



### *Research Variables*

Independent Variable: Developing the Egyptian countryside.

Dependent Variable: Effective leadership.

Moderating Variable: Economical changes – Political Changes.

### **2.3 Summary**

effective leadership plays a crucial role in the development of the Egyptian countryside and has been a key factor in the success experienced in this context. The LMX (Leader-Member Exchange) approach of leadership has proven to be effective in building trust between leaders and followers, which in turn opens the door to creativity and innovation. By fostering positive relationships and mutual understanding, leaders can establish a supportive environment that encourages individuals to contribute their best ideas and talents. The success of this theory has been proven in the Egyptian experience, and one of its best outputs was the presidential initiative, a decent life for the development of the Egyptian countryside, which was originally an idea and a project for the youth of Egypt when the Egyptian leadership built confidence among them and opened the way for innovation and creativity and qualified them for that through presidential programs.

Additionally, adaptive leadership has shown its significance in mitigating the impact of crises or future challenge, such as what happened after the Corona pandemic and the economic recession it caused, followed by the Russian-Ukrainian war, which worsened the economic conditions, especially for developing countries such as Egypt, and constituted an obstacle to the development plan set by the Egyptian leadership. In a rapidly changing world, leaders who possess adaptive qualities can effectively navigate uncertainties, make informed decisions, and guide their teams towards sustainable development. By being flexible, resilient, and proactive, adaptive leaders can address emerging issues and steer their organizations towards success and reduce the crises impact and even trying to maintain the development plan as possible.

Furthermore, inspiration and motivation are two essential dimensions that underpin the application of transformational leadership. Leaders who inspire and motivate their followers create a sense of purpose, instill confidence, and encourage individuals to strive for excellence. Through their charismatic influence and visionary approach, transformational leaders can ignite passion and drive among their teams, leading to increased productivity and positive outcomes. This theory has been proven in the Egyptian experience, and one of its best outputs was the presidential initiative achievement in the most vulnerable villages. The Quality of Life Index in the villages in the first phase of the "Decent Life" initiative witnessed an improvement of 18%. The average poverty rate in the villages of the first phase decreased. The poverty rate was around 14%. The unemployment rate decreased from 11.4 to reach 7.6 and Health care coverage improved by approximately 24%.

The combined application of these leadership approaches has the potential to revolutionize the development of the Egyptian countryside despite the economic challenges that could be and world political and economic crises that represents a barrier in development road for emerging countries. By fostering trust, encouraging creativity, adapting to changing circumstances, and inspiring

individuals, leaders can create an environment conducive to growth and progress. However, it is important to recognize that effective leadership is an ongoing process that requires continuous learning, adaptation, and improvement. By investing in leadership development programs and cultivating a culture of effective leadership, Egypt can unlock the full potential of its rural areas and achieve sustainable and inclusive development for the benefit of all its citizens.

## 2.4 Recommendations

Based on the findings of this research on the role of LMX, transformational, and adaptive leadership in developing the Egyptian countryside, as well as considering the economic and political challenges, the following recommendations for professional practice and future research can be made:

### 1- Professional practices

- a. **Leadership Training Programs:** Implement leadership training programs that focus on developing LMX, transformational, and adaptive leadership skills among leaders and managers working in the Egyptian countryside. These programs should emphasize building trust, inspiring and motivating followers, and effectively navigating challenges.
- b. **Supportive Organizational Culture:** Foster a supportive organizational culture that values and encourages effective leadership practices. Provide opportunities for leaders to collaborate, share experiences, and learn from each other to enhance their leadership capabilities.

### 2- Future Research

- a. **Long-term Impact Assessment:** Conduct longitudinal studies to assess the long-term impact of effective leadership on the development of the Egyptian countryside. Evaluate the sustainability and scalability of the implemented leadership practices and their contribution to economic growth and social well-being.
- b. **Comparative Analysis:** Conduct comparative studies to explore the effectiveness of different leadership styles and approaches in developing rural areas in different contexts. Compare the outcomes of LMX, transformational, and adaptive leadership in other regions facing similar economic and political challenges.
- c. **Leadership and Policy Alignment:** Investigate the alignment between leadership practices and policy frameworks in the Egyptian countryside. Examine how policies and regulations can be tailored to support and promote effective leadership practices, thereby enhancing the development outcomes.



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