

The Impact of Transformational Leadership, Organizational Commitment, and Knowledge Management on Organizational Performance: A Study of Jordanian Telecommunication Companies

Abstract

This thesis investigates the multifaceted relationships between transformational leadership, organizational commitment, knowledge management, organizational climate, and culture in Jordanian telecommunication companies and their collective impact on organizational performance. Using a mixed-methods approach, the study addresses five key research questions, employing partial least squares structural equation modeling (PLS-SEM) to analyze the data from three prominent telecommunication companies in Jordan: Orange, Zain, and Umniah.

The study uncovers significant findings regarding the impact of various organizational constructs on performance outcomes. Transformational leadership is identified as a pivotal driver of organizational performance, demonstrating a substantial positive influence on performance metrics within the telecommunication sector. The study illustrates the importance of inspirational leaders who motivate their teams towards shared organizational goals and purposes, highlighting transformational leadership as a priority for organizational development initiatives.

Furthermore, organizational commitment, particularly affective commitment, emerges as a critical contributor to organizational performance. The study demonstrates the strong linkage between affective commitment and performance, emphasizing the significance of cultivating emotional attachment and a sense of belonging among employees to influence organizational success.

Knowledge management practices and their relationship with performance metrics are also thoroughly examined, revealing that knowledge sharing directly impacts organizational performance beyond overarching knowledge management capabilities. Collaboration and information flow are identified as crucial for leveraging knowledge to enhance performance, accentuating the importance of effective knowledge management strategies within telecommunication organizations in Jordan.

Organizational climate and culture are shown to share positive ties with performance outcomes, highlighting the influential role of supportive and innovative climates, as well as strong cultures that align employee behaviors with organizational objectives. The study emphasizes the need for organizations to foster positive work environments and address employee attitudes to drive enhanced performance within the telecommunication sector.

The research also delves into the moderating role of Jordanian organizational culture in shaping the relationships between transformational leadership, organizational commitment, knowledge

sharing, work climate, and organizational performance within telecommunication companies. It highlights the importance of aligning leadership approaches and strategies with the prevailing organizational culture to drive sustainable results.

While these findings contribute valuable insights into organizational performance dynamics, certain limitations should be acknowledged. The study's sample size and context-specific focus may potentially limit the generalization of the findings to other industries or regions. The reliance on self-reported measures and the correlational nature of the study constraints the establishment of causality or directionality among the studied variables.

In light of these limitations, the study prompts suggestions for future research to enrich understanding in this domain. These include advocating for longitudinal studies to capture the temporal dynamics of the studied relationships, exploring mediating and moderating mechanisms, and comparative analyses across diverse organizational contexts. Addressing these suggestions would not only enhance the broader applicability of the findings but also deepen the understanding of the complex interrelationships among leadership, commitment, knowledge management, organizational climate, and performance within the telecommunication sector.

In conclusion, this study provides a robust foundation for comprehending the intricate interplay among organizational constructs and their impact on organizational performance within Jordanian telecommunication companies. The insights obtained from this research offer actionable guidance for organizational leaders and policymakers seeking to optimize performance and organizational effectiveness within the telecommunication sector, underscoring the significance of nurturing transformational leadership, commitment, knowledge management, and positive organizational climates and cultures to drive sustainable success.

5. Conclusion

This study sought to address key research questions related to the impact of various factors on organizational performance within Jordanian telecommunication companies, with a focus on high employee turnover and the study of the leader's dark side. The research investigated the influence of transformational leadership styles, organizational commitment, knowledge management practices, organizational work climate, and organizational culture on the performance metrics of these companies, while also delving into the critical issues of high employee turnover and leader's dark side behaviors.

The findings of this study have provided valuable insights into the dynamics of organizational performance within the Jordanian telecommunication sector, particularly in the context of these two crucial issues. The impact of high employee turnover on organizational performance was

examined, revealing the significant challenges posed by frequent turnover and its adverse effects on organizational stability and productivity. The study highlighted the implications of high employee turnover for organizational performance, underscoring the importance of addressing this issue to foster a stable and productive work environment within telecommunication companies in Jordan.

Furthermore, the research delved into the vital aspect of studying the leader's dark side, emphasizing its pivotal role in identifying leaders with propensities for negative behaviors and poor work performance. The exploration of this issue shed light on the potential detrimental impact of such behaviors on organizational performance, highlighting the need for comprehensive assessments of leadership characteristics and identification of potential negative traits that could impede performance and effectiveness within these organizations.

The findings of this study have highlighted the critical importance of addressing high employee turnover and studying the leader's dark side to optimize organizational performance within Jordanian telecommunication companies. By recognizing and mitigating the impact of frequent turnover and negative leadership traits, organizations can strive to create a stable, positive work environment conducive to enhanced performance outcomes.

Additionally, the study emphasized the positive correlation between transformational leadership styles and organizational performance, underscoring the need for effective leadership approaches that inspire and motivate employees to achieve optimal results. Companies with more transformational leaders were found to demonstrate higher performance measures compared to those with leaders exhibiting transactional styles, further highlighting the significance of transformational leadership in driving organizational success.

Moreover, the research revealed a significant positive association between organizational commitment and overall organizational performance in Jordanian telecommunications companies. The depth of employee commitment was shown to be a critical factor influencing the success and effectiveness of these organizations, further emphasizing the need for strategies to cultivate and maintain strong organizational commitment as a driver of performance excellence.

Furthermore, the study shed light on the impact of knowledge management practices on enhancing organizational performance within the telecom sector. Effective knowledge sharing and management were identified as key drivers of improved performance metrics, highlighting the importance of robust knowledge management strategies within these organizations to harness the full potential of their intellectual capital.

Additionally, the research explored the impact of organizational work climate on performance levels, emphasizing the potential detrimental effects of negative work climates on organizational performance. Fostering a positive work environment and addressing employee attitudes were identified as essential components in driving enhanced performance within telecom companies, emphasizing the need for cultivating a supportive and positive work climate.

Moreover, the research delved into the moderating role of Jordanian organizational culture in shaping the relationships between transformational leadership, organizational commitment,

knowledge sharing, work climate, and organizational performance within telecoms. The findings indicated that organizational culture plays a pivotal role in influencing the impact of these factors on performance outcomes, highlighting the significance of aligning leadership approaches and strategies with the prevailing organizational culture to drive sustainable results.

In conclusion, this study has provided comprehensive insights into the factors influencing organizational performance within Jordanian telecommunication companies, with a specific focus on high employee turnover and the study of the leader's dark side behaviors. The findings underscore the importance of transformational leadership, organizational commitment, knowledge management practices, work climate, and organizational culture in driving optimal and sustainable performance outcomes. Simultaneously, the study emphasized the crucial need to address high employee turnover, identify, and mitigate the impact of the leader's dark side to optimize organizational performance within the telecommunication sector. The implications of these findings for organizational policies, leadership approaches, and strategies are significant, offering valuable guidance for enhancing performance and effectiveness within the telecom sector.

The results of this study not only contribute to the academic understanding of organizational performance dynamics but also offer practical implications for organizational leaders and policymakers in the Jordanian telecommunication sector. By leveraging the insights derived from this research, organizations can implement informed strategies to cultivate a conducive work environment, foster strong organizational commitment, promote effective knowledge management practices, and align leadership approaches with the prevailing organizational culture to optimize performance outcomes and drive sustainable success, while also addressing the critical issues of high employee turnover and negative leadership traits to foster a stable and productive work environment conducive to enhanced performance outcomes.

5.1 Summary of the key findings and their significance

The summarized key findings and their significance from the partial least squares structural equation modeling (PLS-SEM) results presented for the three companies, Orange, Zain, and Umniah, are as follows:

Orange Company:

- Soft factors such as transformational leadership, knowledge sharing, organizational climate, culture, and commitment significantly impact organizational performance.
- Transformational leadership plays a crucial role in driving organizational performance, emphasizing the importance of inspiring and motivational leadership.

- Knowledge sharing directly influences organizational performance, indicating the significance of collaboration and information flows in enhancing results.
- Affective commitment strongly influences performance, highlighting the importance of cultivating emotional attachment and sense of belonging among employees.
- Organizational climate and culture positively impact performance by aligning employee behaviors with organizational objectives.

Zain Company:

- The study provides empirical support for the customer value creation framework, linking service quality to customer satisfaction, trust, and retention.
- Interaction quality has the most substantial influence on perceived value, highlighting the importance of customer-facing engagement.
- Emotional value perceptions are integral for driving customer satisfaction, emphasizing the significance of positive emotional experiences.
- Customer satisfaction is essential for building customer trust, indicating that customer delight is crucial for fostering loyalty.

Umniah Company:

- Transformational leadership has pervasive effects on organizational performance, influencing commitment, culture, climate, and knowledge flows.
- Knowledge sharing activities significantly impact organizational performance, unlocking creativity and learning essential for success.
- Affective commitment shows the strongest connection to performance, emphasizing the importance of emotionally engaged employees.
- Organizational culture shares substantial explanatory power with transformational leadership, underscoring the significance of nurturing organizational values and behaviors.

Significance:

- The PLS-SEM analyses validate theoretical notions that organizational constructs significantly shape organizational performance, driving companies to invest in developing these "soft" elements.
- The results support theoretical frameworks, encouraging further research to deepen understanding of interrelationships and stimulate impactful factors like emotional commitment and knowledge sharing.

- Practitioners can benefit from recognizing the significance of organizational components on performance, focusing on initiatives prioritizing "people" factors and enhancing leadership, culture, commitment, and knowledge sharing.

These findings provide actionable insights for organizations to enhance their performance by focusing on developing transformational leadership, nurturing collaborative cultures, prioritizing customer satisfaction, and promoting internal transparency and information exchange. The empirical evidence supports credible guidance for organizational improvement initiatives, demonstrating the substantial impact of "soft" elements on organizational success and effectiveness.

5.2 Limitations of the research

While this study has provided valuable insights into the factors influencing organizational performance within Jordanian telecommunication companies, certain limitations should be acknowledged. Recognizing these limitations is crucial for understanding the extent and scope of the findings and for guiding future research in this domain.

1. **Sample Size and Generalizability** One of the primary limitations of this research pertains to the sample size and its potential impact on the generalizability of the findings. The study focused on a specific sector within a particular geographical context, which may limit the broader applicability of the results to other industries or regions. The relatively small sample size of the study's participants, particularly within each company, could restrict the generalizability of the findings. Future research could seek to replicate the study with a larger and more diverse sample to enhance the external validity of the findings.
2. **Cross-Sectional Design** The research adopted a cross-sectional design, which provides a snapshot of the relationships among the variables at a single point in time. While this approach yielded valuable insights into the concurrent associations between leadership, culture, commitment, and organizational performance, it does not capture the dynamic and evolving nature of these relationships over time. Longitudinal studies could offer a more comprehensive understanding of how these factors interact and influence organizational performance over different time intervals, uncovering potential causal effects and temporal dynamics.
3. **Measurement Instrument** Limitations the study's reliance on self-reported measures and survey instruments to assess constructs such as leadership styles, organizational commitment, knowledge management practices, and organizational climate may introduce common method bias and subjectivity. While efforts were made to mitigate these issues through careful survey design, the potential for response bias and social desirability effects cannot be eliminated. Future research could consider employing diverse data collection methods, such as observational techniques and objective performance metrics, to complement self-reported data and enhance the robustness of the findings.

4. **Causality and Directionality** The study's correlational nature limits the ability to establish causality or infer the direction of the relationships observed among the variables. While the research identified significant associations between transformational leadership, organizational commitment, knowledge sharing, organizational climate, and organizational performance, the inherent nature of the study design precludes definitive conclusions regarding causation. To address this limitation, future research could employ experimental or quasi-experimental designs to explore the causal mechanisms underlying these relationships and to elucidate the directionality of the effects observed.
5. **Contextual Factors** the research is situated within the unique context of Jordanian telecommunication companies, which may exhibit specific cultural, regulatory, or industry-specific characteristics that could influence the observed relationships between the studied variables. Consequently, the findings may not be directly transferable to organizations in different sectors or cultural contexts. Future studies could explore these relationships in varied organizational contexts to validate the generalizability of the findings and ascertain the influence of contextual factors on the observed associations.
6. **External Environmental Factors** The study did not comprehensively consider the potential influence of external environmental factors, such as economic conditions, market dynamics, or technological disruptions, on organizational performance within the telecommunication sector. These external factors could significantly shape the performance outcomes of the companies under investigation. Future research could incorporate a broader analysis of external environmental influences to capture the multifaceted determinants of organizational performance and provide a more holistic understanding of the sector-specific dynamics.

In light of these limitations, it is imperative to interpret the study's findings with caution and to recognize the need for further research to address these constraints comprehensively. Moreover, future studies could build on these limitations to advance our understanding of the multifaceted relationships between leadership, culture, commitment, knowledge management, and organizational performance, thus contributing to a more nuanced and comprehensive knowledge base in this domain.

5.3 Suggestions for Future Research

While this study has provided valuable insights into the influences of transformational leadership, organizational commitment, knowledge management, organizational climate, and culture on organizational performance within Jordanian telecommunication companies, several avenues for future research can be explored to further enrich the understanding of these complex dynamics. The following suggestions offer directions for future studies that could contribute to advancing the knowledge base in organizational behavior, leadership, and performance management within the telecommunication sector.

1. **Longitudinal Studies** Future research could benefit from longitudinal studies that track the relationships among leadership styles, commitment, knowledge management practices, organizational climate, and performance outcomes over extended time intervals. By adopting a longitudinal approach, researchers can uncover the temporal dynamics and potential causal effects of these variables, shedding light on how the relationships evolve over time and providing insights into the sustainability of their impact on organizational performance. Longitudinal studies could offer a comprehensive understanding of how organizational factors interact and influence performance trajectories, thus addressing the limitations of cross-sectional designs.
2. **Mediating and Moderating Mechanisms** Further research could delve into the mediating and moderating mechanisms underlying the relationships among the studied variables. Exploring the mediating processes through which transformational leadership impacts organizational commitment, knowledge sharing, and performance could unveil the specific pathways through which leadership practices influence organizational outcomes. Likewise, investigating the moderating role of organizational culture in shaping the relationships between leadership, commitment, knowledge management, work climate, and performance could highlight the contextual contingencies that influence these associations. Future studies could employ advanced statistical techniques to explore these nuanced mechanisms and gain a more comprehensive understanding of the interplay among these variables.
3. **Comparative Analyses** Comparative analyses across different industries, cultural contexts, and geographical regions can offer valuable insights into the generalizability of the study's findings and the contextual nuances influencing the studied relationships. By examining the impact of transformational leadership, commitment, and knowledge management on organizational performance in diverse organizational settings, researchers can assess the portability of these factors across varied contexts and validate the broad applicability of the findings. Comparative studies could reveal sector-specific and cultural influences on the observed relationships, enhancing the understanding of how these factors operate in distinctive organizational environments.
4. **Dark Side Leadership and Employee Turnover** Given the potential impact of negative leadership behaviors and high employee turnover on organizational performance, future research could explore the implications of these critical organizational challenges more comprehensively. Investigating the consequences of the leader's dark side behaviors, such as toxic leadership, abusive supervision, and ethical transgressions, on employee attitudes, organizational culture, and performance outcomes could offer crucial insights for leadership development and organizational effectiveness. Additionally, in-depth analyses of the antecedents and consequences of high employee turnover within the telecommunication sector could uncover the specific factors contributing to turnover rates and their impact on organizational performance. These explorations would contribute to a deeper understanding of the multifaceted dynamics influencing organizational success.

5. **Cross-Cultural Studies** Cross-cultural studies that examine the impact of transformational leadership, commitment, knowledge management, and organizational climate on performance outcomes across diverse national and cultural contexts could further elucidate the influence of cultural variables on organizational dynamics. Understanding how cultural dimensions interact with leadership practices, employee commitment, and organizational processes to shape performance outcomes can provide valuable insights for organizations operating in multicultural settings. By comparing the effects of these factors in varying cultural contexts, researchers can help organizations develop tailored strategies that resonate with the specific cultural nuances influencing performance dynamics.
6. **External Environmental Factors** Considering the potential influence of external environmental factors on organizational performance, future research could integrate a comprehensive analysis of economic, market, and technological influences on the telecommunication sector. Exploring the external factors that shape the performance outcomes of telecommunication companies, such as regulatory changes, market competition, and technological disruptions, can offer a holistic understanding of the sector-specific dynamics. By examining how these external environmental factors interact with internal organizational processes to influence performance outcomes, researchers can provide relevant insights for organizational leaders and policymakers in navigating the challenges posed by dynamic external environments.
7. **Intervention Studies** Research interventions that aim to enhance transformational leadership, organizational commitment, knowledge management practices, and organizational climate within telecommunication companies could provide actionable insights for organizational leaders. By implementing targeted interventions designed to foster positive leadership behaviors, strengthen employee commitment, promote knowledge sharing, and cultivate supportive work climates, researchers can assess the impact of these initiatives on performance outcomes. Intervention studies can offer evidence-based guidance for organizations seeking to drive positive organizational changes and optimize performance effectiveness.
8. **Hybrid Models and Integration** Theoretical and empirical studies that explore hybrid models integrating multiple organizational factors, such as leadership styles, commitment levels, knowledge management practices, and work climates, could offer a more comprehensive understanding of their combined influence on organizational performance. By incorporating diverse organizational constructs into integrated models, researchers can capture the synergetic effects and interactions among these factors, providing a more holistic view of their combined impact on organizational effectiveness. Comprehensive models that integrate leadership with organizational culture, commitment, and knowledge management can offer nuanced perspectives and valuable insights into the multifaceted nature of organizational dynamics.

In conclusion, these suggestions for future research offer diverse avenues for enriching our understanding of the complex interrelationships among leadership, commitment, knowledge

management, organizational climate, and performance within the telecommunication sector. By addressing these research directions, scholars can advance the knowledge base in organizational behavior and performance management, providing actionable insights for organizational leaders, policymakers, and practitioners seeking to optimize organizational effectiveness and success.