

# The Mediating Effect of Organizational Commitment on Relationship between Leadership Styles (Transformational and Transactional Leadership) and Organizational Performance among Telecommunication Companies employees in Yemen

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**Abstract:** This study aimed to identify the relationship between (transformational leadership and transactional leadership) organizational performance of workers. It also aimed to examine the impact of the mediator (organizational commitment) on (transformational leadership and transactional leadership). The study population included workers from the Public Telecommunication Corporation, located in Sana'a, Yemen. The researcher used Raosoft to determine the required sample; the sample size was (365), which was randomly selected; and the questionnaire was to distribute to 365 workers, from which 262 were retrieved. The study reached the following results. There is no relationship between work Transformational leadership and Organizational Performance. There is a strong relationship between work Transactional leadership and Organizational Performance. There is a strong relationship between work Transformational leadership and Organizational Commitment. There is a relationship between work Transactional leadership and Organizational Commitment in telecommunication companies in Yemen. However, there is a relationship between Organizational Commitment and Organizational Performance in telecommunication companies in Yemen. In addition, the influence of Transactional leadership and Transformational leadership on Organizational Performance is mediated by Organizational Commitment in telecommunication companies in Yemen. The study reached multiple recommendations, the most important of which are: In the future, researchers should expand their studies to include employees in private organizations. Researchers should include new variable that may have an impact on employees' performance in Yemen, such as job security, work flexibility, job defense, Researchers should conduct a study using the same variable of the current study but after the war ends in Yemen in order to compare between employees' performance during and after war in organizations.

**Keywords:** Transformational leadership, Transactional leadership, Organizational commitment and Organizational performance in Telecommunication Companies in Yemen.

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## 1. INTRODUCTION

This article discusses the background of the study, in which the author has tried to highlight the link between leadership styles namely transformational leadership, transactional leadership, organizational commitment, and organizational performance. In addition, the link in the reference of the telecommunication sector of Yamen is discussed in the section 1.1. Leading to general problem disused in section 1.1., section 1.2 has shed light on the specific issues related to

leadership, organizational commitment and organizational performance in the telecommunication sector of Yemen. Section 1.3 and 1.4 are about the objectives to be achieved and questions to be answered in the current study. The significance and scope of the study are discussed in sections 1.5 and 1.6.

## **2. PROBLEM STATEMENT**

During the course of recent decade, organizations in global environment and especially the organizations in the technology business are facing stiffer competition for survival and sustainable performance. For the performance, the organizations are required to provide the high quality of product and services to the customers. In a consequence of increased competition, many businesses especially the firms operating in the telecommunication sector are forced to restructure their human resource management practices, to enhance satisfaction of employees, the performance of telecom operation and to enhance the financial performance. There is a lack of leadership skills in different organizations most specifically, higher education and telecommunication sector (Habtoor, Arshad & Hassan, 2019), low level of organizational commitment, poor management information system. The issues are responsible for the deteriorating performance of Yemeni telecommunication sector. However, the current study has particularly focused the issues related leadership, and commitment of employees in Yemeni telecommunication organizations and how they affect the financial, and operational performance as well as the satisfaction of employees working in these organizations. According to Al-Mamary et al., (2015) employee satisfaction is becoming more challenging for companies including those in the telecommunication industry. Their study indicates that the main issue in telecom companies is the level of satisfaction of the employees. An organization with good management would consider its employees its assets and the primary source and portal to productivity and financial gains. In case of telecommunication companies in middle-east especially in Yemen, there are many factors hinder the high level of the employee's satisfaction and performance.

The concepts of leadership as expounded by Lamm et al. (2017) and organizational commitment stressed on by several researchers (Lee, & Steers) have become important areas of research for decades as opined by theorists and researchers working the field of organizational behavior. However, the role of leadership and organizational commitment has been vague. Megheirkouni (2016) demonstrated that regardless of the increasing number of researches on leadership phenomena, there is still a lot of ground to cover. Moreover, it has been revealed that leadership style still needs major development (Truong, 2016).

The employees are the main resources of the organization. Once the organization wants to achieve its goals, the first thing to do is meet the requirements of the staff in order to achieve its obligation level. At this stage, organizations can easily access and can exist in the market with good service and products as well as high-performance.

However, many factors must be considered by the organization, leadership style is the main factor for the organization in strengthening the commitment among employees. The choice of leadership style must be compatible with the organizational culture. Consequently, many researchers have studied the relationship between the leadership and the organizational commitment, and they found strong relationship such as Alkahtani (2015), who indicates that a positive relationship does exist between transformational, transactional leadership and organizational commitment. Nevertheless, the results of this study cannot provide a clear relationship between the transformational leadership and organizational commitment (Alkahtani, 2015).

Organizational commitment comprises of three constructs namely; continuance commitment, normative commitment, and affective commitment (Mayer et al., 2019). An affective organizational commitment refers as a willingness to use great effort by organization or a relief in the acceptance of organization, and a powerful desire for supporting organizational membership (Lee, & Steers, 2017). On the other hand, the continuance commitment is equivalent to affective commitment, which aims to review the point that individuals do not quit their job because of the inability to find another potential job, taking a salary cutting, and may be due to fear of losing employee benefits.

Organizations are encountered by multi-challenges and have been seeking to adopt remodeling and strategic management styles, which could facilitate in the handling of certain technological aspects, challenges of the logistics, supply chain management, as well as the manpower growth in asset management (Lloyd, & Mertens, 2018). These aspects are important as a positive association exists between stress, job satisfaction of staff, work performance, and leadership style (Lee, & Steers, 2017).

On the other hand, the service industry requires higher levels of Transformational Leadership because most service sector organizations involve emotionally intense work focused on service to the client. The present study investigates the

relationships between the types Leadership and performance. As it has been known organizational performance is one of the most important constructs in management research. The study is conducted in service sectors. This research is, exploring, and discussing the concept of leadership. Moreover, the research is explaining examining in very particular ways how leadership can impact performance at the work place from top management and leader ship to bottom line management and individuals at workplace. Moreover, the research is going to explain how leadership is supporting organization with better services. In addition, the research along with the literature reviews are providing an empirical evidence of the role of leadership styles as an independent variable and predictor variables which have a great impact on organizational performance as a dependent variable. The study is also interested in finding the mediating role of organizational commitment in the relationship between leadership styles and the organizational performance. To achieve the research objective, the study has proposed the structural equation modeling as the statistical tool to investigate the issue and to answer the research question.

### **3. RESEARCH QUESTIONS**

Q1: Is there a relationship between transformational leadership and organizational performance?

Q2: Is there a relationship between transactional leadership and organizational performance?

Q3: Is there a relationship between organizational commitment and organizational performance?

Q4: Does organizational commitment mediate the relationship between transformational leadership and organizational performance?

Q5: Does organizational commitment mediate the relationship between transactional leadership and organizational performance?

### **4. RESEARCH OBJECTIVES**

1: To examine the relationship between transformational leadership and organizational performance.

2: To examine the relationship between transactional leadership and organizational performance.

3: To examine relationship between organizational commitment and organizational performance.

4: To examine the mediating role of organizational commitment in the relationship between transformational leadership and organizational performance.

5: To examine the mediating role of organizational commitment in the relationship between transactional leadership and organizational performance.

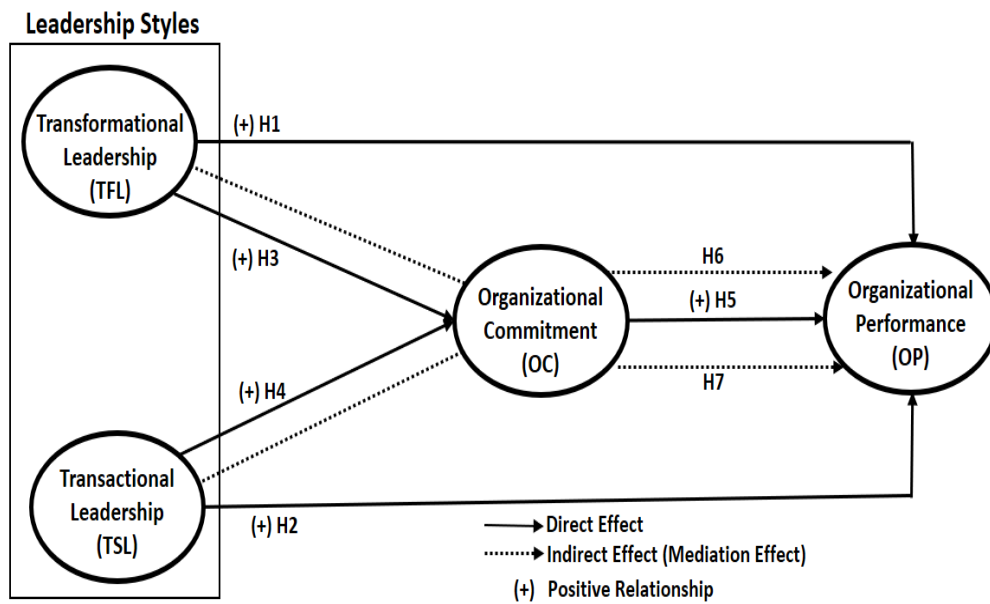
### **5. SIGNIFICANCE OF THE STUDY**

The current study is among the pioneering studies on the issues related to the leadership, organizational commitment and the organizational performance in the telecommunication sector of Yemen.

In author knowledge the study which is among very few studies on Yemeni telecommunication sector is contributing in the existing body of knowledge by interacting the two theoretical perspectives namely theory of transformational leadership and resource-based view. Besides that, this study also examines the mediating role of organizational commitment. All these could add further knowledge to existing literature on the turnover intention. The combination of all these study variables is consistent to transformational leadership and resource-based view as framework to understand organizational performance of firms in the telecommunication sector of Yemen.

The practical contribution is concerned; the findings of the present study possibly will facilitate researchers and corporate personals in understanding the issues related to the leadership, organizational commitment and the organizational performance in the telecommunication sector of Yemen. Therefore, this study possibly will be used as the strategic instrument for managing employees. Moreover, to the best of researcher knowledge due to the lack of empirical research on the issues in telecommunication sector in Yemen, this study is anticipated to inspire other researchers and can broaden up the opportunities for further research initiatives.

## 6. CONCEPTUAL MODEL



## 7. HYPOTHESIS TESTING SUMMARY

NO.	The Hypothesis	Beta Value	_Sig. Test	Decision
H1	There is a relationship between work Transformational leadership and Organizational Performance in telecommunication companies in Yemen	0.534	<u>0.874</u>	Reject
H3	There is a relationship between work Transformational leadership and Organizational Commitment in telecommunication companies in Yemen	0.507	<u>0.04</u>	Accepted
H5	The influence of Transformational leadership on Organizational Performance is mediates by Organizational Commitment in telecommunication companies in Yemen	<b>0.254</b>	<u>0.03</u>	Accepted
H2	There is a relationship between work Transactional leadership and Organizational Performance in telecommunication companies in Yemen	0.411	<u>0.00</u>	Accepted
H4	There is a relationship between work Transactional leadership and Organizational Commitment in telecommunication companies in Yemen	0.663	<u>0.00</u>	Accepted
H6	The influence of Transactional leadership on Organizational Performance is mediates by Organizational Commitment in telecommunication companies in Yemen.	<b>0.124</b>	<u>0.00</u>	Accepted
H7	There is a relationship between <i>Organizational Commitment</i> and Organizational Performance in telecommunication companies in Yemen	0.439	<u>0.00</u>	Accepted

## 8. RECOMMENDATIONS FOR FUTURE STUDIES

Futures researchers can enhance the current research in terms of steadiness and regularity of the sample size distribution. In fact, it can be achieved by distributing or by designing the questionnaires equally to large numeral of the participants. The participants in this study are from public organizations in Yemen, so future researchers are highly recommended to extend their studies by including employees from the private organizations as well.

Additionally, researchers in the future are recommended to include more new variables that can influence the employees' performance in Yemen, such as job security, flexibility of the work team work and job motivation as well. Finally, future researchers are extremely suggested to choose new a geographical locations by including employees from the entire cities in Yemen.

Finally, researchers in the future are recommended to test the same variables again after the war and should conduct comparative studies on the employee performance in the Yemen public organization during and after the war.

## **9. SUMMERY OF THE RESEARCH**

In this article, the researcher discussed the findings based on the research questions; this research provides evidence that, the job motivation can play an important role on the relationship between work environment and fairness. However, job motivation as the moderator has no significant affect between factors in the telecommunication companies in Yemen.

Additionally, in this article, the researcher discuss the Implications for this study, limitations of the study, and provide recommendations for the future studies in the same filed with this study in order to be clear and aware on the factors that can play an important role toward the organizations performance in telecommunication companies in Yemen.

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