

Adnan M. Rawashdeh¹
Mohammad Salameh
Almasarweh
Eiad Basher Alhyasat
Firas Al-Rawashdeh

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EXAMINING THE EFFECT OF TRANSFORMATIONAL LEADERSHIP TO ORGANIZATIONAL PERFORMANCE THROUGH QUALITY INNOVATION: A DEVELOPING COUNTRY PERSPECTIVE

Abstract: *This study aims to investigate the effect of transformational leadership to organizational performance via the mediating role of quality innovation. Adopting a quantitative research design, data were collected from 222 middle level- leaders using a self-structured questionnaire. Structural equation modeling (SEM) via The Analysis of Moment Structures, i.e., IBM AMOS 22 was used to test the hypotheses. The findings indicated that transformational leadership was significantly associated with both innovation and organizational performance. Furthermore, innovation has a positive effect on organizational performance. Consequently, the results underlined a significant mediation role of innovation in the relationship between transformational leadership and organizational performance. The findings of this study serve as a guide for leaders and policymakers in terms of having better understanding on the relationship between transformational leadership, quality innovation, and organizational performance. Hence, practitioners are able to design a good polices for adopting transformational leadership and innovation to enhance organizational performance. To the best of the authors' knowledge, this paper is the first of its kind to anayise the mediating effect of quality innovation on the relationship between transformational leadership and organizational performance linkage in manufacturing sector in a developing country context. Finally, the results of this study was extracted based on data collected from manufacturing sector, which can not be generalized across a braodr rang of sectors.*

Keywords: *Transformational leadership; Innovation; Organizational performance; Manufacturing sector; Jordan.*

1. Introduction

In the current world of ever-growing competition, firms are required to seek modern methods to stimulate their performance. Stimulating firm's performance needs some various features be already rooted

in an organization. Numerous past studies generally concentrate on significant factors impacting on organizational performance (Rohana & Abdullah, 2017; Strukan et al., 2017; Gomes & Wojahn 2017; Rawashdeh, 2018). It is essentially significant to obtain a good perception of factors impacting the

positive improvement of organizational performance. Prior results assure the major role of transformational leadership (Hurduzeu, 2015; Yildize et al., 2014; Al Khajeh, 2018) and innovation (Gunday et al., 2011; Murat et al., 2013; Gomes & Wojahn, 2017) in supporting organizational performance. While these researches examined the reciprocal relationship between the two variables, the current work bridges a gap by examining the impacts of transformational leadership on organizational performance through investigating the mediate effect of quality innovation.

Transformational leadership has been described as a leadership approach that enables organizations to create changes in people and social systems (Strukan et al., 2017). It makes useful and real change with the intention of developing followers into leaders (Rattanaborworn, 2015). Abazeed (2018) suggests that transformational leadership supports employee achievement and self-development levels. In essence, transformational leadership is a theory of leadership in which managers encourage, inspire and intellectually stimulate their followers to innovate valuable and positive change, which help boost and shape the future competition of the organization (Dong et al., 2017). Transformational leadership concept highlight esteems, sentiments, and the significance of leadership adopted to foster innovation in individuals (Rohana and Abdullah, 2017). Individuals are key assets in the organization that transformational leaders should concern with, since they are considered as one of the intangible assets that can provide organizations with long-term performance (Yildize et al., 2014). Transformational leadership seeks to maintain sentimental connection with followers and to build unique values. Such a leadership style carries the significance of contributing a shared mission and inspiring meaning, moral and sense of purpose into followers (Garcia-Morales et al., 2012). Transformational leadership is considered as significant driver of innovative culture used

to develop ideas oriented to achieve a high potential effectiveness (Samad, 2012). The application of this leadership style seeks to urge workers to exert effort beyond capabilities in order to attain firm goals (Bass & Avolio, 2000). Such leaders also improve intellectual inspiration by enhancing individuals' intelligence, innovation so that individuals can innovate effectively in their way of problem solving and solutions (Garcia-Morales et al., 2012).

Innovation on the other hand is generally viewed as one of the fundamental ingredients of performance and survival, involved in all business activities (Gunday et al., 2011). Scholars (e.g., Adegoke et al., 2012) regarded innovation as a significant determinant of organizational performance in a turbulent business environment. It creates constant improvements that boost organizations to survive, leads to process and product developments, helps organizations to create positive achievements and become more competitive than non-innovators (Murat et al., 2013). Nowadays, innovation is recognized as a best practice to compete since it supports future success of firms that stimulate growth and helps firms to maintain their direction (Lin & Chen, 2007). Firms fail to practice innovation, or in other words, to adapt to rapidly changing environments will face numerous problems and as a result going out of competition in an intricate turbulent economy (Shang, 2019). Thus, innovation is fully believed as a significant engine of effectiveness, performance, and competitiveness (Gomes & Wojahn, 2017).

2. Literature review and hypotheses

2.1. Transformational leadership

Burns developed transformational leadership theory in the late seventies. He argued that individuals' motivation and morality completely rely on the leader (Ali & Chin-Hong, 2018). There are two types of

transformational leadership. First type attempts to change a portion of society in an appropriate way to meet the current movements and trends which called reformer. The revolutionist type attempts to change principles, beliefs, and philosophy of society and helps subordinates to successfully practice that change (Burns, 1978).

Scholars have proposed several definitions of transformational leadership. Transformational leadership is a commitment approach which understands company goals, objectives via achieving some improvements in employees' behaviors (Yıldız et al., 2014). İřcan et al. (2014), suggest that transformational leader is one who positively envisions the future of the organization, inspires great loyalty and trust in his or her subordinates, empowers the team to grow and work together, and participates with followers to identify their needs and helps them attending those needs. Chan et al. (2019) posits that transformational leadership is an approach to improve business firms, which includes transforming employees, teams and organizations and achieve actual grow in the earnings of the organization, the followers' behavior and moral value promotion. Further, transformational leadership is seen as a mechanism that concentrated on energy, vision, and transformation with the end goal of achieving positive change in those who follow (Ali & Chin-Hong, 2018). Suřanj & Jakopec (2012) described transformational leadership as approach to inspire people to achieve extra tasks out of their job descriptions.

Moreover, transformational leadership is made up of some facets including charisma, which promotes an interaction between leaders, followers, and the shared mission. It emphasizes values, trust, respect, and ethical standards (Bass, 1999; Hurduzeu, 2015). Inspiration motivation known as the ability of managers to inspire confidence, esteem, and motivation in their individuals. It consists of leaders who depend heavily on their subordinates, stimulate their motivation to be

committed to shared vision of organization (Bass, 1999; Strukan et al., 2017). Intellectual stimulus refers to the ability of managers to support subordinates' new ideas, vision, as well as their interest in developing business practices. Subordinates are also inspired to address the challenges they encounter by developing a new way of thinking in order to design better solutions to those challenges (Strukan et al., 2017; Suřanj and Jakopec, 2012). Individual appreciation refers to leaders' ability to respond to individual needs of their subordinates (Strukan et al., 2017; Hurduzeu, 2015).

To summarize, transformational leadership style is best suited for organizations seeking change in employees to protect their positions and stay competitive in the market (İřcana et al., 2014). Transformational leadership makes change in subordinates and organizations by redesigning values and perceptions, beliefs and goals, and changing subordinates' aspirations and expectations (Almintisir et al., 2013; Rawashdeh et al., 2020). It also very effective in empowering individuals by giving them the opportunity to perform their work autonomously, enhancing organizational learning, and inspiring individuals to use all the available resources needed to stimulate firms' performance (Hurduzeu, 2015).

2.2. Transformational leadership and organizational performance

Various variables have researched organizational performance; that categorized as inside (organizational) and outside (environmental). These factors have significant effects on organizational performance (Nam, 2007; Rawashdeh & Karim, 2012). The internal variables included in this study are transformational leadership and organizational innovation in Jordanian manufacturing sector. Organizations have implemented different business practices and administration policies to achieve positive outcomes and to attain significant level of performance (Al-Busaidi, 2013).

Transformational leadership has attracted the attention of business firms' as a leadership style that can provide high performance level. The cause behind this is that even though profitability has seen as the best style for organizations seeking to achieve positive performance (Hurduzeu, 2015). Various researches have been conducted in different contexts and confirmed the positive association between TL and OP (Hurduzeu, 2015; Samad, 2012; Yildize et al., 2014; Al Khajeh, 2018; Rattanaborworn, 2015; İşcana et al., 2014). Additionally, Suifan et al. (2018) conducted study in Jordanian banking sector and maintained a significant relationship between TL and OP. Using data from pharmaceutical sector in Jordan, Alrowwad et al. (2017) concluded that there is no relationship between TL and OP. Based on the above literature we propose the following hypothesis:

H1: there is a significant relationship between TL and OP.

2.3. Transformational leadership and innovation

Innovation can be defined as a creation of fresh ideas, methods or devices hence effective application of them within the organization (Al-edenat, 2017). Firms adopt innovation in order to add value to their goods or services and stay competitive in the market. So as to bring about innovation whether developing new processes, or developing new products and services within firms, a commitment is strongly needed from all employees in different levels. (Jung et al., 2003). Transformational leaders are capable to inspire subordinate's cooperation in a bid to meet the company vision, which may provide evidence on objectives and performance to be attained. Individuals in turn pay more effort beyond their capabilities in order to achieve this in a good way. Individuals may also become motivated to make further innovative decisions (Chen et al., 2012). Again, transformational leaders could establish an appropriate innovative

environment if they have a positive view about the company's vision (Sánchez et al., 2011). Most prior studies assure the significant relationship between TL and IN (Ali and Chin-Hong, 2018; Al-edenat, 2017; İşcana et al., 2014; Samad, 2012; Yildize et al., 2014). In Jordan context, Nusair et al. (2012) show a positive effect of transformational leadership to employee innovative behavior based on a sample of 358 employees from public sector. Elrehail et al. (2018) also conducted a research in Jordan and found a significant relationship between transformational leadership and innovation. Based on the above literature we propose the following hypothesis:

H2: there is a significant relationship between TL and IN.

2.4. Innovation and organizational performance

Innovation can be defined as a process of bringing new ideas into goods and services of organizations (Ladokun, 2019). Gunday et al. (2011) assure innovation as a strategic tool to join new markets through innovative products and services. Walker (2004) investigated 30 studies on innovation and performance and concluded that innovation is a good way to increase performance. Additionally, most previous scholars suggested a positive impact of innovation on organizational performance (Gomes & Wojahn, 2017; Ladokun, 2019; Gunday et al., 2011; Lin, and Chen, 2007; Murat et al., 2013; Shang, 2019). On the other hand, there are rare studies concerning the mediating role of innovation in the relationship between TL and OP. In their study in Spain, Garcia-Morales et al. (2012) found a partial mediation of IN in the relationship between TL and OP. Noruzy et al. (2013) also concluded a full mediation of IN in the relationship between TL and OP. Samad (2012) assure a significant mediation of IN in the relationship of TL with OP. Based on the above literature we propose the following hypotheses (figure 1):

H3: there is a significant relationship between IN and OP.

H4: there is a significant mediating role of IN in the relationship between TL and OP.

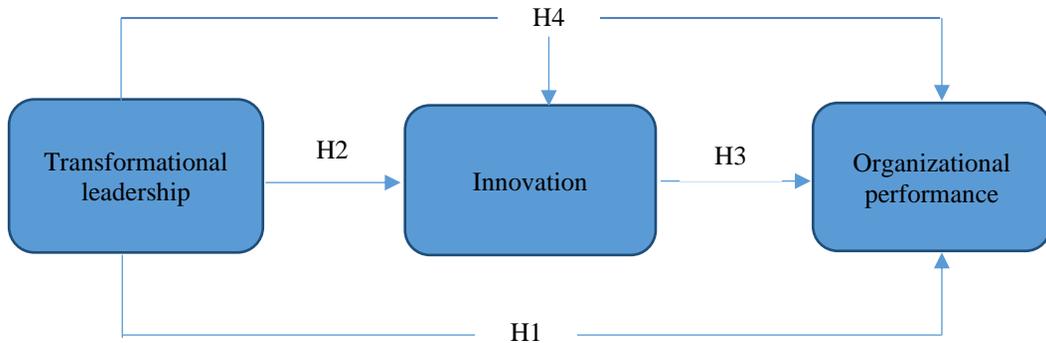


Figure 1. The proposed model

3. Research methodology

3.1. Research design

This is a descriptive analytical research paper. The respondents were employees of manufacturing sector in Jordan. The items used in this study were adapted from previously published studies. Transformational leadership was measured using 12 items taken from (Al-edenat, 2017 & Hurduzeu, 2015) studies. Quality innovation was measured using 9 items derived from Antoncic & Hisrich (2001) and validated by Garcia-Morales et al. (2012). Organizational performance was assessed using 9 items derived from (Rohana & Abdullah, 2017) and validated by Alrowwad et al. (2017).

3.2. Sample and procedures

A questionnaire based survey was applied to collect primary data from employees working in Jordanian manufacturing firms. Before implementing the survey, the instrument was reviewed by three heads of departments in Jordanian manufacturing firms, and three academic professors in the University of Jordan in order to ensure that this instrument is valid in terms of its content. The

participants in the pilot study were asked to give suggestions to enhance the quality of the questionnaire; however, there were no comments, or any changes needed. A five-point Likert scale from 1 (strongly disagree) to 5 (strongly agree) was used. The respondents in this study are Middle-level leaders who were randomly selected from manufacturing companies in Amman, Jordan. The information on a total of fifty-six industrial companies was obtained from the Amman Stock Exchange (ASE) website, which includes (i.e., Aluminum, Cable, medical, food, pharmaceutical, petrochemicals, Mining, Chemical, steel and iron). A total of 222 questionnaires were used in the analysis process out of 300 distributed to the research population by e mail, with a response rate of 73 percent.

4. Results

The demographic variables of the sample of this work show, male are 171 (77%) and female are 51 (23%). Age is 30 years and less, 31 to 40, 41 and less than 50, and above 50 are 14%, 38.3%, 41.4%, and 6.3% respectively. 15% diploma and less, 77% undergraduates, and 8% are graduates. Experience is 10 years and less, 10 to 15 years, and above 15 are 32%, 51%, and 17%.

53% held positions as managers, 31.5% as ass. Managers, and 15.5% as supervisors.

4.1. Tests of normality

The normal distribution of the current data was examined by Kolmogorov-Smirnov and Shapiro-Wilk test. Table 1, show that transformational leadership (TL), innovation (IN), and organizational performance (OP) data are normally distributed. i.e., values of both Kolmogorov-Smirnova and Shapiro-Wilk were non-significant (> 0.05) which meet the required threshold (Marange and Qin, 2019).

4.2. Multicollinearity

In order to explore if our data are free of multicollinearity, which is a problem produced if one factor represent a function for another one, that is, an increase in the first one results in an increase in the second one or vice versa. Collinearity is not a serious problem among the predictors in our model since statistics showed that the value of variance inflation variance (VIF) and tolerance values are less than 10 as shown in Table 1 and tolerance values are greater than 0.10 which meet the required threshold (Tamura et al., 2019).

Table 1. Tests of data normality and multicollinearity

Constructs	Kolmogorov-Smirnova			Shapiro-Wilk			VIF
	Stat.	Df.	sig.	Stat.	Df.	sig.	
TL	0.034	222	0.200*	0.991	222	0.205	1.34
IN	0.034	222	0.200*	0.991	222	0.205	1.27
OP	0.020	222	0.200*	0.999	236	1.000	1.76

* This is a lower bound of the true significance.

4.3. Correlation matrix

TL is significantly correlated with OP ($r = 0.732, P < 0.01$), TL also significantly correlated with IN ($r = 0.549, P < 0.01$). Furthermore, IN is significantly and positively correlated with OP ($r = 0.466, P < 0.01$) according to Pearson coefficients values in Table 2.

Table 2. Correlation matrix among research variables

Variables and correlations		TL	IN	OP
TL	Pearson Correlation	1		
IN		0.549**	1	
OP		0.732**	0.466**	1

** . Correlation is significant at the 0.01 level (2-tailed).

transformational leadership (3.77) mean value and (0.92) std. dev. And finally, Innovation (3.69) mean value and (0.78) std. dev. According to the three ranges formula (i.e., 1- 2.33 low; 2.34 - 3.67 medium; and 3.68 - 5 high) the total degrees of research variables are high.

Table 3. Means and std. dev. For research variables

Variables	No.	Min.	Max.	Mean	Std. Dev.
TL	222	1.070	5.000	3.76890	0.919900
IN	222	1.110	5.000	3.68690	0.775170
OP	222	1.000	5.000	3.89170	0.970370

4.5. Exploratory factor analysis

Harman's single factor score technique has been utilized for investigating the common method bias (CMB), all latent variables items are loaded into a single common factor. The results indicate that the total variance for the common factor was 41%, which is less than 50% (Hofenk et al., 2019).

4.4. Descriptive statistics

Table 3. Show means and Std. deviations of all items. It indicates that organizational performance has the highest mean value (3.90) with a std. dev. (0.97), followed by

In order to check the distribution of latent variables and their indicators, exploratory factor analysis (EFA) has been applied on the current work data. As shown in table 4 the standardized factor loadings of all items are greater than 0.5, which agree with the opinion of Newkirk and Lederer (2006).

Transformational leadership was associated with 12 items (SFL = 0.891 to 0.946), while innovation was associated with 9 items (SFL = 0.733 to 0.878) and organizational performance with 9 items (SFL = 0.891 to 0.990).

Table 4. Results of exploratory factor analysis

Variables	Items	SFL	AVE	CR	α
Transformational leadership	TL1	0.900	0.841	0.984	0.978
	TL2	0.917			
	TL3	0.902			
	TL4	0.893			
	TL5	0.911			
	TL6	0.891			
	TL7	0.935			
	TL8	0.946			
	TL9	0.942			
	TL10	0.940			
	TL11	0.907			
	TL12	0.918			
Innovation	IN1	0.847	0.700	0.954	0.937
	IN2	0.790			
	IN3	0.857			
	IN4	0.856			
	IN5	0.878			
	IN6	0.890			
	IN7	0.866			
	IN8	0.800			
	IN9	0.733			
Organizational performance	OP1	0.982	0.912	0.989	0.987
	OP2	0.891			
	OP3	0.967			
	OP4	0.975			
	OP5	0.984			
	OP6	0.990			
	OP7	0.990			
	OP8	0.907			
	OP9	0.902			
Total variance explained for s single common factor = 41.2%					

4.6. Validity and reliability

In order to assess the goodness of measurement scale validity criteria was applied. In effect, prior studies have validated and reapplied all the items used in the present study. Hence, we depend on boosting the validity of the scale was to take advantage from a past scales that are used by other

studies. Validity was measured by convergent validity. Convergent validity was assured since the average variance extracted (AVE) values in table 4 ranged from 0.700 to 0.912 higher than the minimum recommended 0.50 (Mohajan, 2017).

Further, Cronbach's alpha and composite reliability has been used to measure reliability. All the research constructs are considered reliable since the value of CR in table 4 ranged from 0.954 to 0.989 higher than the minimum recommended 0.70 (Hair et al., 2010) as well as the values of Cronbach's alpha in table 5 ranged from 0.937 to 0.987 higher than the minimum recommended 0.70 (Hair et al., 2010; Widjaja et al., 2020).

4.7. Measurement model

In a bid to construct the measurement model and to examine the model goodness of fit IBM SPSS 24.0 and Amos 22.0 has been applied. According to figure 2, the research latent constructs (TL, IN and OP) have the same items formerly investigated, this figure was composed based on the values of EFA. That is, no items were deleted.

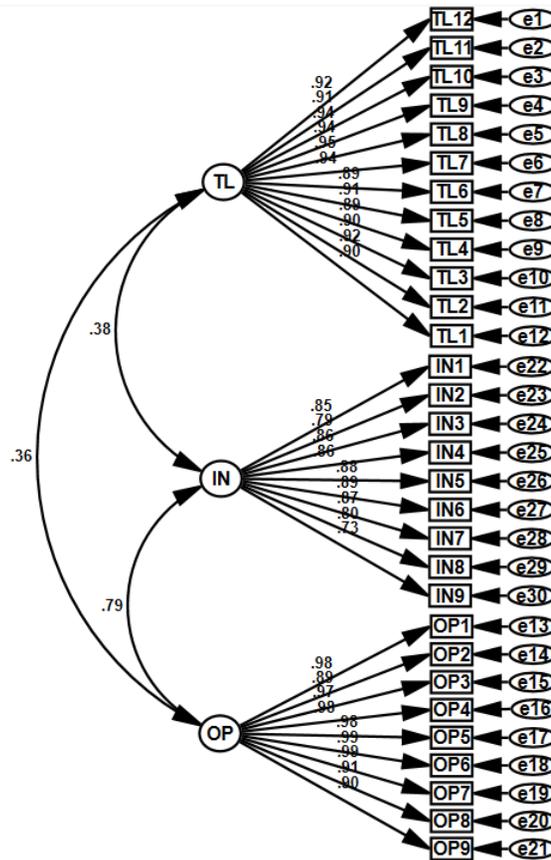


Figure 2. Research measurement model

Concerning the goodness of fit, four indices were used to achieve this goal. They were Chi-square ratio (χ^2/df), Goodness of Fit Index (GFI), Comparative Fit Index (CFI) and Root Mean Square Error of Approximation (RMSEA). Table 5 shows that the initial model fit the data completely

since all values of fit indices were, $\chi^2/df = 1.374$ the GFI = 0.859, CFI = 0.934; and RMSEA 0.054 which met the minimum recommended value 0.50; and RMSEA less than 0.10 (Newkirk and Lederer, 2006; Hair et al., 2010), hence, it can be accepted for hypotheses testing.

Table 5. Measurement model fit summary

Index	Value	Criterion
Chi-square	811.663	-
Degree of freedom	404	-
Significance level	0.000	< 0.05
Chi-square ratio	1.374	> 2.00
Goodness of Fit Index	0.859	> 0.85
Adjusted for Degrees of Freedom	0.799	> 0.80
Comparative Fit Index	0.934	> 0.90
Root Mean Square Error of Approximation	0.054	< 0.08

4.8. Structural model

The initial model exhibited in Figure 2 was transformed to the final one portrayed in Figure 3. Transformational leadership was assumed to exert significant effect on both the mediator (innovation) as well as the dependent variable (organizational performance). Figure shows initially that TL has effect on IN, which in turn has effect on OP.

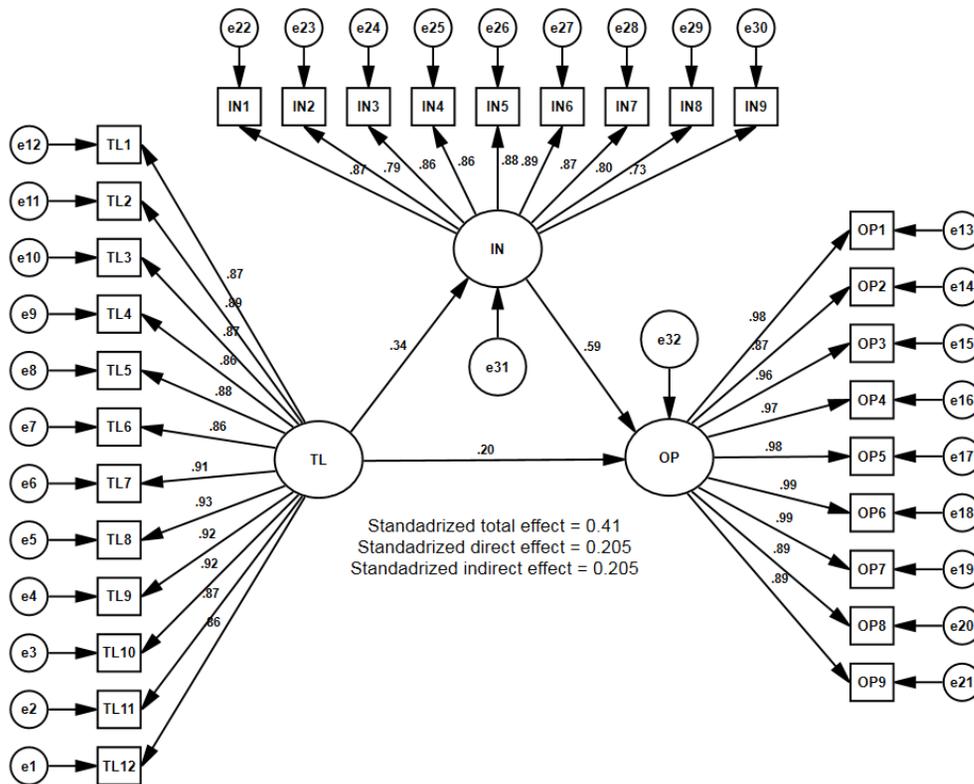


Figure 3. Research structural model

Table 6 demonstrates detailed results on total, direct and indirect effects between constructs under study. It was observed that TL exerts positive influence in OP ($\beta = 0.41, P < 0.05$) distributed as a direct effect on OP ($\beta = 0.205,$

$P < 0.05$) and indirect effect through innovation as a mediating variable ($\beta = 0.205, P < 0.05$). Further, TL has positive effect in innovation ($\beta = 0.34, P < 0.05$) and IN has positive effect in OP ($\beta = 0.59, P < 0.05$).

Table 6. Results of hypotheses testing

Default Paths			Total effects		Direct effects		Indirect effects	
			β^*	P**	β^*	P**	β^*	P**
TL	→	OP	0.41	0.001	0.205	0.001	0.205	0.001
TL	→	IN	0.34	0.000	0.34	0.000	-	-
IN	→	OP	0.59	0.000	0.59	0.000	-	-

* standardized effects. ** significant at (α) = 0.05

On the basis of the above-mentioned results, the four research hypotheses were supported. That is transformational leadership had a significant relationship with both IN and OP. Simultaneously, IN has significant relationship with OP. As well, innovation is partially mediated the relationship between TL and OP.

5. Discussion and conclusion

Organizations need to adopt transformational leadership in order to support their operations in this turbulent world climate. This work contributes to the literature by examining the suggested model in manufacturing firms in emerging economy, Jordan. Additional, it contributes to performance enhancement through uncovering the vital effect of organizational innovation as a mediator. Management of this variable results in the emergence of durable and unperishable values in firms, which is uneasy to copy. The findings support all of the hypotheses, indicating that a management style of TL effects both IN and OP, IN has a significant impact on OP, As well, IN partially mediated the relationship between TL on OP.

Regarding hypotheses results, first, the research shows a significant direct impact of transformational leadership on organizational performance. This result is consistent with several other researchers' results (Hurduzeu, 2015; Samad, 2012; Yildize et al., 2014; Al Khajeh, 2018; Rattanaborworn, 2015; İşcana et al., 2014). These findings mean that the organizations seeking effective tactics to perform successfully emphasize the benefits of leadership. The reason may be attributed to the fact that leadership style, as intangible

asset, is perceived as a great source of power that band together processes, employees and organizational performance (Al Khajeh, 2018). Additionally, TL show a significant effect to OP given its capacity to steer employees in the right direction and get better results by encouraging those employees to develop their skills and competencies (Koech & Namusonge, 2012). Moreover, it produces positive workplace climate full of satisfaction, trust, loyalty, and followers being motivated to put in extra effort (Damanpour, 2017). Second, TL was showed to exert positive as well as significant effect to IN. The present result concurs with the conclusions reached by many researchers. For example, Garcia-Morales et al., (2012) concluded positive impact of transformational leadership on employees' creativity. Ali and Chin-Hong (2018) also found that transformational leadership as a contemporary approach can enhance the individuals' innovation abilities. İşcana et al. (2014) refer that transformational leaders can stimulate new ideas to support innovations within the firm. Samad (2012) claimed that transformational leadership was related to a significant quality innovation. Yildize et al.'s (2014) results revealed a positive association between transformational leadership and firms' innovation tendency. The premise behind this is that present changing environment pressurizes the organizations to transform to be innovative. Managers within the organizations are actually under pressure to develop themselves and perform as leaders. With their commitment and dedication they can breathe new life into the organizations and support innovation (Khan, 2010). Garcia-Morales et al., (2012) also maintained that

transformational leaders are concentrated on the common good rather than their individual power bases; they have innovative vision and dignify the needs of employees. With such leaders employees are interesting to innovate and exert great effort to perform beyond expectation. Third, this research shows empirical positive relationship between IN and OP. The mentioned finding also in harmony with findings indicated by other most studies (Gomes & Wojahn, 2017; Ladokun, 2019; Gunday et al., 2011; Lin, & Chen, 2007; Murat et al., 2013; Shang, 2019). It is increasingly being recognized that the implementation of innovation by organizations can help them to ensure adaptive behavior and organizational change in a bid to maintain or increase their competitiveness (Damanpour, 2017). Also, innovation adoption increases the organizations ability to improve the existing services, which helps them to attract new customers and satisfy their needs that are tool to stimulating organizational performance (Shang, 2019). Gunday et al. (2011) added that when organizations adopt innovation strategy to change people opinion of its products so that the action they take is successful and contribute to organizational performance. In organizations, innovation is a priority for leaders who seek performance development. Leaders need to focus on their employees' interest due to the fact that innovation is a collective contribution not individual effort. Finally, innovation had showed a partial mediating influence on the effect of transformational leadership to organizational performance. Limited work has been found to explore the same path proposed in the present work. Garcia-Morales et al. (2012) reach the same result and they concluded a partial mediation of innovation in the effect of transformational leadership on organizational performance. In contrast, Noruzy et al. (2013) reported a full mediating effect. Innovation is viewed as a valuable mediation construct.

In conclusion, this study was conducted on manufacturing firms in Jordan. The purpose was to investigate the effect of transformational leadership on organizational performance via the mediating role of quality innovation. The results show a significant effect of transformational leadership on both innovation and organizational performance, significant relationship between quality innovation and organizational performance, and also a partial mediating influence of innovation on the effect of transformational leadership to organizational performance. Most prior researches had focused on investigating the reciprocal relationship between transformational leadership with either innovation or performance. However, the current work did not settle for that, rather it focused on investigating the mediating effect of innovation on the relationship between transformational leadership and organizational performance in manufacturing firms in a developing country.

6. Implications, limitations, and suggestions for future research

The present study results show the significance of TL and IN as essential ingredients of internal resources in improving OP in Jordanian manufacturing sector.

Transformational leadership has showed a significant direct and indirect influence (via innovation) to organizational performance. This result delivers further proof and knowledge on the relationship between TL and OP via partial mediation of innovation in Jordanian manufacturing sector since, the interactions involved in the current work have not, up to date, been examined in a developing country such as Jordan. The results signify the importance of TL in achieving the desirable OP. It is specifically essential for leaders to generate and provide achievements, to deliver new ideas, and to center on strategic plans (Rattanaborworn, 2015). Besides, leaders should take into consideration the followers needs, interests

and their individual desires as well (Strukan & Sefić, 2017). Second, Because of significant effect of TL to IN , managers should promote subordinates intelligencethrough motivating and encouraging them to innovate successfully (Ali and Chin-Hong, 2018). Managers' should also consider innovation as a very important firm resource that help them to success and outperform competitors. So, they need to adopt transformational leadership approach in a bid to support innovation. According to transformational leadership theory, individuals should be motivated, supported and capable to face challenges innovatively (Garcia-Morales et al., 2012). Also, positive relationship of TL with IN helps management to build an innovative culture in order to reinforce the cooperation between leaders and subordinates (Akay & Demirel, 2017).

Third, the study also affirmed the significant effect of IN to OP. Results assured innovation as a leading approach for positive organizational performance in a growing turbulent climate. Subsequently, the research recommended management to leverage on innovation, as it was found to be important instrument for achieving high performance level. In addition, managers should be skillful in engaging in innovation behaviors so that they can enhance organizational performance (Ladokun, 2019). In summary, recommendations for leaders in manufacturing firms need to have vision, contribute to innovation, believe in change, and focus on followers' needs and desires, as they can exert more effort beyond their capabilities in order to help leaders to attain firms' goals and objectives. In addition, the current study lead to better understanding on

how leaders can practice TL and IN to support performance in manufacturing firms, Jordan. Finally, this research paper findings serve as a guide for leaders and policymakers in terms of having a better understanding on the interactions among transformational leadership, innovation, and organizational performance. Hence, practitioners can design a good polices for adopting transformational leadership and innovation in order to enhance organizational performance.

The current research have some limitations as follows. First, the current work investigated the conceptualization of TL and IN in a manufacturing firms in emerging economic, Jordan, which is clearly differentiated from most published articles. Thus, it is recommended to conduct more exploratory research on business organizations in different sectors, context. Second, this research emphasizes and restricts the examination on TL type as an enabler of IN and OP, although restricting the domain of the study provides more perception about the phenomenon understudy (Al-edenat, 2017). Thus, we have transactional and laissez-faire leadership as another types of leadership inherent within this type, according to Bass (1985). Future research may investigate the other types of leadership in different industries. Third, the present study was measured based on non-financial indicators, therefore, common bias was probable, however, replicating the results with more financial measures would add to our confidence in our results. Finally, for the aim of generalization, additional research can be conducted by involving variety types of samples and approaches in different contexts.

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Adnan M. Rawashdeh

The University of Jordan,
Amman,
Jordan
adnanrawa@yahoo.com

**Mohammad Salameh
Almasarweh**

The University of Jordan,
Amman,
Jordan
m.almasarweh@ju.edu.Jo

**Eiad Basher Alhyasat-
Al-Balqa**

Applied University,
Amman,
Jordan
Eyad.hyasat@Bau.edu.jo

Firas Al-Rawashdeh

The University of Jordan,
Amman,
Jordan
f_rawashdeh@Ju.edu.Jo
