

THE MODERATING ROLE OF ENTREPRENEURIAL ORIENTATION IN THE RELATIONSHIP BETWEEN LEADERSHIP STYLE AND HUMAN CAPITAL AND ACADEMIC JOB PERFORMANCE IN PUBLIC UNIVERSITIES IN JORDAN

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Abstract: Public universities in Jordan have not been performing well in the area of management, which is one of the primary responsibilities for establishing them. Facilities, like videoconferencing, interactive whiteboards, internet facility and automated library, are mostly nonexistent, and where they are available, they are inadequate and mostly outdated. This study investigates the impact of the relationship between leadership style (transformational leadership style and transactional leadership style) and human capital and the moderating role of entrepreneurial orientation on academic job performance of higher educations, especially in Jordan. Based on the Resource-Based View Theory, this study determines the significance of the relationship between human capital and leadership style (transformational leadership style and transactional leadership style) and the academic job performance of the public universities in Jordan. The study also determines the moderating role of entrepreneurial orientation in the relationship between human capital and leadership style (transformational leadership style and transactional leadership style) and academic job performance of the public universities. Data were collected from academic staff in public universities. The study employed a multistage sampling procedure with the use of a survey questionnaire. Out of the 1,000 questionnaires distributed, 418 were returned, giving a 41.8% response rate. After the data cleaning process, only 398 responses were used for analysis through SPSS, Smart PLS version 3.0, to investigate the relationships between human capital and leadership style (transformational leadership style and transactional leadership style) and academic job performance of the public universities. Results show significantly positive relationships between human capital and leadership style (transformational leadership style and transactional leadership style) and academic job performance. Furthermore, the results show that entrepreneurial orientation moderates the relationship between human capital and transactional leadership style while transformational leadership style is not moderated.

IndexTerms - *Entrepreneurial Orientation (EO), Leadership Style, Human Capital (HC), Academic Job Performance (AJP).*

I. INTRODUCTION

Higher education plays a critical role in the creation of knowledge, the development of an economy and the fostering of a democratic society (Hoque, Alam, Faizah, Siti, Rose, & Fong, 2010). Higher education also plays an indispensable role in supporting global development strategies with the highly skilled manpower and necessary research (Lim, 2018). In addition, by providing more factual and procedural knowledge to students, education promotes the development of the minds of students, the growth of formalised intelligence and core task performance (De Sisto, & Dickinson, 2019).

Alghamdi, (2018) indicated that human capital (HC) is a necessary input for all organisations that want to achieve and maintain competitive advantage by using media. Organisational wellbeing is dependent on the inborn and learned abilities that human beings possess (Alghamdi, 2018). To support this statement by Scavarda, Daú, Scavarda, & Goyannes Gusmão Caiado, (2019) pointed out that all large institutions the world over are recognised by the behaviours and capabilities or talents of their human resources.

Scavarda, et al (2019) defined HC as the overall stock of knowledge, skills, competencies and creative abilities that a population possesses. Organisations play a great role in positioning the employees to perform effectively through the continuous development of HC. Okereke, & Nnenna, (2011), defined HC development as “job enrichment that has an intrinsic mechanism to motivate an employee to accept and play challenging organisational tasks”.

Adnan Badran, a former Prime Minister of Jordan and a noted Jordan educational leader and scholar, noted that the Gross Domestic Product (GDP) of Jordan in 2010 was US\$ 40,487 million per year, and the proportion of total expenditure on education (all levels) was 9.5% of GDP. Of the 9.5%, 5% was allocated for general education and 4.5% was allocated for higher education (UNDP, 2016). The study observed that this low allocation indicated a lack of priority for investments in the educational sector from the government when compared to other countries (Saudi Arabia, United Arab Emirates, Egypt, Qatar, Kuwait, Morocco, Syria, Oman, Sudan, Lebanon, Jordan, Bahrain, Libya, Yemen and Palestine). It was also found that quality, relevance and a lack of creativity, were the major challenges that higher education in Jordan faced.

Jordanian universities are facing critical issues with regards to the academic work performance among its lecturers. The lack of excellent work performance can be seen from the low rank of Jordanian universities in ranking scales; even compared to other universities in Arab countries, Jordanian universities are lagging behind.

However, in this study, the critical role of leadership style and human capital in the public Jordanian universities, Furthermore, the current study explores the moderating effect of entrepreneurial orientation on the relationship between leadership style and human capital and academic job performance.

Research Questions

1. Is there a significant relationship between leadership style (transformational leadership style and transactional leadership style) and academic job performance?
2. Is there a significant relationship between human capital and academic job performance?
3. Does entrepreneurial orientation moderate the relationship between human capital and academic job performance?
4. Does entrepreneurial orientation moderate the relationship between leadership style (transformational leadership style and transactional leadership style) and academic job performance?

Literature Review

Leadership Style

Leadership style is conceived as a creative endeavour that is central to fostering productivity in a teamwork environment. Effective leadership encourages innovation and efficient coordination among the employees (Malik et al., 2012). Similarly, Kurland (2010) observed that in the contemporary work environment, with dynamic tendencies, organisations are now acknowledging the influence that leadership styles might have on both the wellbeing of employees and organisational outcomes (Kurland, 2010).

Leadership is best expressed in the context of organisational culture and set objectives. Scholars, such as (Elsmore, 2017; Almatrooshi, Singh, & Farouk, 2016; Samuel, Rahman, Khairuddin, Uddin, & Rahaman, 2017), have long asserted that organisations are intended to achieve set goals. To accomplish these goals and their specific objectives, the human factor is of the utmost importance. Among other human factors, leadership is placed at the top of those factors considered. A leader influences organisational members so that they provide willing efforts to achieve pre-determined goals and objectives (Obiruwu, Okwu, Akpa, & Nwankwere, 2011). Leadership style in an organisation plays an instrumental role in either improving or hindering the interest and commitment of an organisation's individuals.

Organisations throughout the world are acutely focused on developing leaders who can play a key role in building goal-driven teams; however, few people actually possess the skills necessary to create an effective team (Mahdi, Gulam Mohd, & Almsafir, 2014). Several leadership styles are possible. These include transformational leadership, participative leadership and autocratic leadership.

According to Malik et al. (2012), the most effective leadership styles for bringing out the desired outcomes in an organisation are participative leadership and transformational leadership. They explained that while participative leadership stimulates creativity and productivity in a team environment, transformational leadership is aimed at making radical changes. Thus, the following hypotheses are proposed:

H1a: Transactional leadership style has a positive effect on academic job performance.

H1b: Transformational leadership style has a positive effect on academic job performance.

Human Capital

The concern with knowledge as an indispensable factor for development of an economy has been noted for more than a century (Quintas, 2002). Knowledge, as expressed in HC and in technology, has constantly been key to economic development. Hence, in the last several years, the relative importance of knowledge has been acknowledged (Yahaya, & Ebrahim, 2016).

The Second World War necessitated the development of skills that brought together specialists in different fields for the purpose of prosecuting the war. These skills were transferred to youth who later graduated from higher education institutions with skills that had never been acquired in contemporary history by youth of their age. The improved cross-fertilisation of knowledge was accompanied by the intended and unintended diffusion in new areas of knowledge. These youth, with their newly-acquired sophisticated knowledge, were later employed in the industries that had to cope with the sophisticated and dynamic knowledge already acquired by these youth (Drucker, 2017).

Coupled with that, Europe and Asia, which had recovered from the devastation of the Second World War, were seriously rebuilding their economies and the enterprises in those economies followed suit by improving production and productivity. Their watchwords then became how to increase the quality of their products. To do so, the Union of Japanese Scientists and Engineers (JUSE) invited W.E. Deming to give a series of lectures on quality control in Tokyo in 1950. In 1954, Dr. Joseph M. Juran taught courses in quality control. As a result of the insights gained by the management of Japanese enterprises at these courses, workers became involved more in decision-making. The outcome of this was improved productivity, improved market share of companies and higher quality goods (Masa'deh, Shannak, Maqableh, & Tarhini, 2017).

At best, management practices began emanating from Asia and with the booming of Asian enterprises, pressure was put on the American management style. Many academic publications argued that the American management style needed to change because this style was a root cause of the decline of American enterprises. Those companies realised

that quality, customer satisfaction and innovation were only possible through proper knowledge management, and management had to cater for the knowledge requirements of their organisations.

Furthermore, a shift in focus from seeing labour as just one of the inputs of production to an asset that needed to be invested in and from which a high rate of return could be expected, also propelled the move towards knowledge management. Organisations discovered that technology advantage was not sustainable as a long-term competitive advantage but rather, they must create, retain, develop and utilise human talents and knowledge (Omotayo, 2015). Organisations further realised that employee talent needed to be managed for higher productivity. Thus, the concept of organisation-specific knowledge gained the attention of scholars and practitioners in recent times more than ever before. Thus, the following hypothesis is proposed:

H2a: Human capital has a positive effect on academic job performances.

The Moderating Effect of Entrepreneurial Orientation

An entrepreneurial orientation denotes a strategic move incorporating planning, analysis and decision-making of an organisation. Schumpeter (1934) considered an entrepreneur as a unique and creative individual (creative destructor) who uses innovative ways of developing new products, services and techniques. This initial effort gives rise to research in the area of entrepreneurial orientation, which has its origins in the strategy-making process literature.

Nonetheless, perspectives vary on the idea of who is an entrepreneurial person. One is that an entrepreneur is an individual who has the capacity for creating something of value (Anderson, 1995). The development of valuable product by an individual to transform a benign opportunity into strategic advantage is an attribute of the entrepreneurial person (Elsmore, 2017). Another perspective sees an entrepreneurial person as someone who consciously seeks an opportunity to create something of value. In other words, entrepreneurial skills and orientation are built around searching, recognising and taking an opportunity that either may be latent or manifest (Omotayo, 2015).

Scholars in the field of entrepreneurial orientation, such as (Elsmore, 2017; Almatrooshi, et al., 2016; Samuel, et al., 2017) have worked on integrating the literature in the field. According to Rauch, Wikland, Lumpkin, and Frese (2009), the conceptualisation of entrepreneurial orientation has three dimensions. These dimensions include innovativeness, risk taking and proactiveness.

- *Innovativeness* is the predisposition to engage in creativity and experimentation through the introduction of new products/services as well as technological leadership via R&D in new processes.
- *Risk taking* involves taking bold actions by venturing into the unknown, borrowing heavily, and/or committing significant resources to ventures in uncertain environments.
- *Proactiveness* is an opportunity-seeking, forward-looking perspective characterised by the introduction of new products and services ahead of the competition and acting in anticipation of future demand” (p. 763).

In addition to the three dimensions, others might be added. For example, McKenny, Short, Ketchen Jr, Payne, & Moss, (2018) believed that competitive aggressiveness and autonomy are part of the profile. The authors defined competitive aggressiveness as the level of intensity of efforts being exerted with a view to outperform its rivals. A strong offensive posture or aggressive responses to competitive threats usually characterises such efforts. Autonomy, on the other hand, typically denotes independent action that entrepreneurial leaders or teams undertake, that focuses on bringing about a new venture and seeing it to completion. Thus, the following hypotheses are proposed:

H3a: Entrepreneurial orientation significantly moderates the relationship between transactional leadership style and academic job performance.

H3b: Entrepreneurial orientation significantly moderates the relationship between transformational leadership style and academic job performance.

H3c: Entrepreneurial orientation significantly moderates the relationship between human capital and academic job performance.

Research Methodology

Research design	Cross-sectional quantitative design
Population of interest	Academic staff of the public universities in Jordan
Sampling list	Population of 15,000-20,000, respectively
Determination of sample size	<ul style="list-style-type: none"> ▪ according to Krejcie and Morgan (1970): ▪ Minimum sample needed:395
Sampling technique	Simple random sampling
Data collection tool	Researcher-administered questionnaire
Data analysis tool	SPSS, Smart PLS version 3.0
Reliability & validity	Tested in pilot study and measurement model
Hypotheses testing	Assessment of structural model

Hypotheses Testing Results

	Hypothesis	Path coefficient	p vale	Standard Error	Effect size	Decision
H _{1a}	TS -> AJP	0.19	p <0.01	0.049	0.037	Supported
H _{1b}	TSL-> AJP	0.23	p <0.01	0.049	0.051	Supported
H _{2a}	HC -> AJP	0.31	p <0.01	0.048	0.101	Supported
H _{3a}	Moderating effect of EO on TS -> AJP	0.08	p =0.05	0.050	0.011	Supported
H _{3b}	Moderating effect of EO on TSL -> AJP	0.07	p=0.09	0.050	0.012	Not Supported
H _{3c}	Moderating effect of EO on HC -> AJP	0.09	p=0.03	0.049	0.013	Supported

Conclusion and Recommendations

This study investigates the moderating role of entrepreneurial orientation in the relationship between leadership style (transformational leadership style and transactional leadership style) and human capital and academic job performance of the public universities in Jordan. However, to be able to get generalizable results on this model, higher education institutions in other geo-political zones of Jordan need to be investigated.

The administrative staff of the higher education institutions in Jordan might be studied to determine the moderating role of entrepreneurial orientation in the relationship between leadership style (transformational leadership style and transactional leadership style) and human capital and academic job performance. This is because they also perform some roles in ensuring job performance. Furthermore, students who are the prime stakeholders in higher education institutions should be studied so as to factor in their views on expectations from and implications of organisational excellence of Jordan's higher education institutions. As primary stakeholders, they have as important a role as the academic staff of these higher education institutions and therefore need to be studied.

Other external stakeholders in higher education institutions in Jordan also contribute to organisational excellence in these institutions. The immediate localities of these institutions, the impact of the infrastructural facilities and the role of the regulatory authorities must be studied. Also, governmental policy and the country's image, need further studies to determine their impact on organisational excellence of higher education institutions in Jordan.

The conceptual model in this study might be empirically tested in other contexts to further validate its acceptability. The model could be empirically tested in other Arab countries or in different sectors from the education sector, either in Jordan or other parts of the world. This study utilised the quantitative methodology. Other studies might investigate this conceptual model using the qualitative methodology. This would provide alternative ontological and epistemological validation of the conceptual model.

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