Mediating Role Of Organizational Learning (OL) In The Relationship Between Authentic Leadership (AL) And Performance Of Pharmaceutical Companies In Jordan

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Abstract: The main purpose of this study is to examine the relationship between Authentic Leadership (AL) and performance with mediating role of organizational learning (OL) in pharmaceutical companies in Jordan. As for the research sample, the researcher relied on the intentional sample because this type of samples serves the objectives of the research. A total of 235 questionnaires have been sent out to officials at their various administrative levels (top management, middle management and supervisory management) in the areas of manufacturing, marketing, sales, purchases and stores, human resources, finance, accounts and others in the companies. The results showed that There is an impact of the authentic leadership with its dimensions (internal moral perspective, balanced operation, self-awareness) on performance, while transparency of relationships has no impact, and also There is a partial impact of the organizational learning; therefore, there is an impact at the level (0.05) of Authentic Leadership through the moderate variable (organizational learning) on Performance of Pharmaceutical Companies in Jordan.

Key words: Authentic Leadership, Organization learning, Performance.

1. INTRODUCTION
Organizations are facing a considerable amount of challenges and changes. Such challenges increasing the trend towards globalization of markets, increasing economic blocs, accelerating technological developments, and increasing customer awareness of the relevance regard to the quality of the product or service provided. In addition, to the administrative failures and unethical leadership that are practiced by a group of companies, such as Enron and WorldCom, along with the losses resulting from these collapses led business organizations to respond to these challenges through a change in the methods and leadership patterns adopted. In like manner, the emergence of the pattern of Authentic leadership as one of the dimensions of leadership behavior where leaders embrace the principles of honesty, transparency, and high ethical standards. Moreover, in light of the positive results; business organizations can achieve it by following authentic leadership pattern through the strengthening of their developmental communications, raising the job performance and promoting job satisfaction. Accordingly, the aim of this study is to complementary the previous research studies that investigated the relationship between authentic leadership and the performance of pharmaceutical companies in Jordan through organizational learning as a mediator variable.

2. THEORETICAL BACKGROUND
2.1 Authentic Leadership
Authentic Leadership is considered one of the comparatively recent terminologies in the Arab environment. During the researcher's review of several Arab studies on such a leadership pattern, it comes out that there are numerous terminologies for this pattern. For example, a study considered the term trustworthy leadership [1], while the study [2] called it the trusted leadership, but [3] regarded it as authentic leadership. And all of them eventually returning on a single road. Authentic leadership can be defined as being a process grounded in positive psychological abilities, positive psychological climate, self-awareness, internal moral perspective, transparency and rationality in relations between leader and followers, by promoting positive self-growth. [4][5] pointed out that authentic leadership emphasizes a variety of significant positive factors. Most importantly, strengthen the staff's psychological abilities and the moral climate within the workplace. While [6] remarked on authentic leadership as a process of interacting with others. From the premise that authenticity cannot be the fruit of the leader himself, but the crop of both the leader and the followers. Consequently, authenticity is the output of the interactions between leaders and followers. [7] indicates out that the overreaching and comprehensive objective of the authentic leadership pattern was not developing a new theory, but rather verifying the shared root among all leadership theories. Aiming at discovering the substance of authentic leadership implied in a wide range of leadership patterns. In a similar vein, many researchers believe that leadership pattern can be tackled as authentic if it includes moral, truthful and authentic standards. Additionally, it considerably boosted confidence in leadership through the actions of leaders and their interaction with the subordinates. [8] Attention is drawn to a very important issue, despite the considerable similarities that underlies between transformative leadership and authentic leadership[9]. Many researchers have indicated the possibility of distinguishing between them through confirmatory factor analytical analysis. [10][11] Likewise, by looking at whether authentic leadership can add things to the transformative leadership. Especially about the inability to control the transformative leadership variable in the researches of transformative leadership. [12] suggested
that every further study going through authentic leadership must control the transformative leadership, in order to distinguish between them in a well and consciously manner. [12] explained that authentic leadership is the core of all positive leadership patterns and a key pillar of transformative, moral and spiritual leadership. In reviewing the theoretical literature that researched the authentic leadership, we find that there are three points of view; firstly, a personal point of view (within the individual himself) [13] Secondly, relationships with others [14]. Finally, a developmental perspective. With respect to the dimensions of authentic leadership, studies have varied. One of the studies addressed authentic leadership in four dimensions [15] [16] [17]; which are self-awareness, balanced operation, positive moral perspective, and transparency of relationships. Other studies have dealt with authentic leadership in five dimensions; which are self-consciousness, equiponderant operation, positive Ethical perspective, translucence of relationships, and original behavior. [18] Moreover, other studies took it up in seven dimensions; which are self-awareness, balanced operation, positive moral perspective, transparency of relationships, loyalty, support, and empowerment. [19] However, the researcher found, through his examination of all the previous studies that most of them focused on particularly the following authentic leadership dimensions, namely, transparency of relationships, internal moral perspective, balanced operation, and self-awareness. These can contribute to building the structure of authentic leadership. The focus will be on these dimensions in this study. Self-awareness is the sequential processing, which enables the leader to understand his strengths and weaknesses through his interaction with the subordinates. Besides, to know their impression of him, realize the impact of this knowledge on them, and enhancing his self-confidence as a leader. It should be noted that self-awareness includes an internal frame of reference (mental states) and an external frame of reference (how the leader or his mental image is viewed) [20] Balanced operation refers to the leader's objective analysis of all data before the decision-making process, and listening to the different points of view [11]. [21] Clarified that the balanced operation has many positive influences on the authentic leader, such as inspiring and motivating the workers, leading to raising and improving the performance levels. However, the internal moral perspective refers to the high standards of moral behavior. The leader determined them by directing his actions in line with internal moral standards and values. Therefore, he expresses them through the decisions he makes in harmony with these moral values. [22] Regarding the transparency of relationships, it is the process through which the leader can know the feedback of the subordinates and provide appropriate suggestions to solve their problems. [14] It should be mentioned that the transparency of relations enhances trust between the leader and the subordinates through useful disclosures, which include sharing of information, expressing transparently the individual's ideas and real feelings whether positive or negative, too. [23] Big Challenges and rapid change during the twenty-first century faced by organizations in the business environment. The challenges can be seen in increasing the trend towards globalization, rapid technological developments and increased customer awareness of the importance of the quality of services and goods provided. These have forced business organizations to rearrange its internal processes and situations in general. This implies unequivocally following and adopting the introduction of organizational learning as a method and an introduction for the building of learning organizations. Organizational learning refers to the ongoing process stemming from the vision of the working people in the organization. Ordinarily aims to accurately determined and remedied the organizational problems. There by reflect on the organization's final outcomes. This have in a supporting framework of the organization leadership. [24] [25] define organizational learning as the ability of organization workers to acquire and transfer knowledge. So as to contribute improving their behavior and performance. And in the same direction [26] explained that organizational learning is the process by which the organization's work procedures can be improved in order to absorb and use the information in a more effective way. While [27] and [28] pointed to the increased interest of business organizations in organizational learning. It is due to the shift in the factors of production's relative importance, from physical capital to intellectual capital. Also, the organizational learning helps organizational leaders to develop the organizational performance and achieve the organizational sustainability. [29] [29] also pointed out that organizational learning encourages organizational leaders to collect and analyze information from specific objectives. Furthermore, observe the performance of workers owing to explore the organizational errors and behaviors that affected the organizational objectives. Thus. occurred through innovating and learning from the experience of leaders, by reviewing the methodology of work. [30] as well explained the significant contribution of the organizational learning in raising organizational commitment and job satisfaction between workers in organization. [31] highlighted three types of organizational learning; the first type is the single-loop learning, also called minimum learning, adaptive learning or non-strategic learning [32]. Which means, the organization's ability to learn by detecting mistakes. As a result, bringing course-correction without modifying the organization's policies and objectives. Meanwhile, the second type of learning is the Double-Loop learning. It is also called the higher order learning, generative learning or strategic learning. This type is a complementary to the first type (i.e single-loop learning). So after the processes of discovering the mistakes and correcting the course without modifying the policies and objectives of the organization. Thereby, the workers within the organization would ask questions about how to modify the organization's policies and objectives as to suit the external developments in the business environment. However, Deutero- learning is the third type, it is when the organization learns how to undertake both the single-loop and double-loop learning. So then it can be said that Deutero- learning has been achieved. In other words, the organization cannot be a learning organization if there is no previous type of learning. [32] It is also defined by [33] as the senior management
behavior within the organization, whereas such behavior supports the organizational learning process. By reviewing the previous studies looked into the topic of organizational learning, the researcher found a lack of agreement on the main dimensions of organizational learning. Since there are researchers who identified the dimensions of organizational learning in four dimensions, but other researchers defined the process of organizational learning in five dimensions and some with seven dimensions. For the purposes of the present study, the researcher will rely on four dimensions as referred in [25] study. By this, the four dimensions are: personal- commitment to learning, shared vision of learning, openness and experiential learning, and finally the transfer of integrated knowledge.

2.3 performance: performance ofOrganizational belong to the targets an organization want to attain over a certain period of time. Accordingly, performance reflects all the tools and methods that can achieve these goals. In other words, there is a relationship between programs, plans and activities, and the targets business organization seeks to achieve. Also, it's an actual output or a result of an organization as measured against its intended outputs, goals and objectives. [34] [35] study suggests four types of organization's performance measurement, which are: human resources outcomes, organizational outcome, financial accounting outcome, and capital market outcome. In this study, the researcher follows [36] study in order to measure organization's performance, which included: performance of human resources, performance of market, and performance of operations.

3. LITERATURE REVIEW: Actually, [37] study aimed to investigate the impact of authentic leadership on the results of working with the mediation role of empowerment. Data were collected from the medical sector, Peshawar, sample size is 210 medical professionals in four hospitals in peshawar. Purposive sampling technique has been used to identify sample respondents. Finding of the research showed that Trustworthy leadership has positive and major effect on outcomes of work, such as Regulatory citizenship behavior, workers out comes, and job comfortable. The results of mediation show that empowerment is partly mediated by the relationship of Trustworthy leadership with Regulatory citizenship behavior and job comfortable, while full mediation support was found for staff performance. Whilst [38] study investigated the effect of authentic leadership on institutional learning in relation to the role of organizational intelligence’s mediation. This research is a descriptive in terms of its purpose, and data were collected by a survey. The results showed that authentic leadership has a significant impact on organizational intelligence and learning. The importance of relations also assured the role of mediation by regulatory intelligence. Similarly, [39] investigated the impact of authentic leadership (AL) on employee performance (EP) and examined the mediation role of organizational commitment (OC). Finding indicates major effect of authentic leadership on the employee performance and organizational commitment. The present study suggests that managers can enhance the organization's coming commitment towards employee performance (EP), through adopting authentic leadership (AL). [40], in his study examined effect of authentic leadership on Serbian organizations staff out comes. An resolve of a survey of 502 workers The findings revealed that perceived authentic leadership abilities moderately and positively affect the commitment of workers and increase level of Knowledge within organization. While [41] study aimed at providing an understanding of the relationship between organizational learning and authentic leadership style. The study has been conducted in private sector institutions such as banking and insurance sectors. The study group consists of 200 white-collar staff. The results indicated that authentic leadership has a significant impact on organizational learning and supports the competitiveness of organizations. Whereas [42], explored how authentic leaders would positively promote learning in organizations. Since they have explored how senior managers with authentic leadership abilities, such as relational transparency, self-awareness, personal organization, and balanced information processing, are able to encourage the use of conversations as to enable learning on three levels: individual, group, and organizational. Moreover, they said that authentic leaders create a culture of organization, in which authentic conversations are encouraged and to be institutionalized. The authors then developed proposals to explore the link between authentic leadership, authentic conversations and organizational learning.

4. PROBLEM OF THE STUDY: Due to the concerns of various business organizations kinds in all over the world, and regarding how to increase productivity, face competition too. Specifically, in a business environment characterized by its rapid and successive changes. According to this, they are seriously in need to seekat full capacity towards both raising performance rates, and search for every method that would facilitate the processes of providing their customers with products and services in the best manner possible. Whilst business organizations become increasingly convinced that the viability of any system, beside the ability to sustain its integrity and balance, require that the resulting level of knowledge should be equal to the level of change within the businesses’ environment. Meanwhile, organizational learning has gained increased attention considering it as an entry point for building learning organizations. Recently, the concept authentic leadership appears as one of the modern perspectives and methods in the field of leadership methods. Additionally, the positive relationship confirmed by the results of many previous studies between the authentic leadership and many organizational variables. Namely, the contribution of adapting the authentic leadership in increasing the degree of confidence with the subordinates, raising the level of creativity and innovation, enhancing the level of job satisfaction, and reducing any work behaviour that may negatively affect the productivity. The present study is an attempt towards exploring the role of authentic leadership in improving the performance levels. As well as discussing the intermediate role of organizational learning in raising performance levels For pharmaceutical companies in Jordan.

5. SIGNIFICANT OF THE STUDY
This study arises from the need to manage and lead organizations more effectively. The rapid change, variability in business environment, administrative failures and unethical leadership have urged business organizations to implement new patterns and methods in leadership. Therefore, the introduction of ((May et al., 2003)), which is a new theory of Trustworthy leadership as a combination in ethical development, behavior and transformative leadership, and the indicated advantages in previous studies; which business organizations can gain if they follow authentic leadership pattern. This study attempts to investigate the relationship between authentic leadership and the performance of pharmaceutical companies in Jordan, through organizational learning as a mediator variable.

This study is intended to achieve the following objectives:

a. To examine the relationship between authentic leadership and the performance of pharmaceutical companies in Jordan.
b. To examine the relationship between authentic leadership and organizational learning.
c. To examine the relationship between organizational learning and the performance of pharmaceutical companies in Jordan.d. To examine the indirect impact between authentic leadership and the performance of pharmaceutical companies in Jordan through organizational learning as a mediator variable.

6. RESEARCH HYPOTHESES

H$_1$: There is no statistically significant impact between authentic leadership and performance of pharmaceutical companies in Jordan.

H$_2$: There is no statistically significant impact between authentic leadership and organizational learning.

H$_3$: There is no statistically significant impact between organizational learning and performance of pharmaceutical companies in Jordan.

H$_4$: There is no statistically significant indirect impact between authentic leadership and performance of pharmaceutical companies in Jordan through organizational learning as a mediator variable.

7. STUDY METHODOLOGY

The researcher relied on descriptive analytical method to analyze and classify the data to achieve the objectives of the study and to identify the variables of the study. This approach is based on a fundamental scientific descriptive method to analyze the current situation or problem using statistical analysis.

7.1 Population and Sample

The research community consists of all the human drug industry companies in Jordan, which number (19) companies. As for the research sample, the researcher relied on the intentional sample because this type of samples serves the objectives of the research. As for the inspection unit, it includes the officials at their various administrative levels (top management, middle management and supervisory management) in the areas of manufacturing, marketing, sales, purchases and stores, human resources, finance, accounts and others in these companies, which number (235) employees.

7.2 Survey design and measures:

The researcher developed a questionnaire to cover all dimensions of the independent and dependent variables in a way that enable the testing of the hypotheses of the study. Authentic Leadership variables were measured and developed based on Authentic Leadership Questionnaire (ALQ) developed by (Avolio et al.,2005; Walumbwa et al., 2008). and Organizational Learning measured based on an instrument developed by (Gomez et al., 2005) and used by (Rose .et.al,2009 ) finally Performance variables measured based on relevant studies such as (Dyer & Reeves,2006) and (Delaney & Huselid, 1996)

7.3 Validation and consistency of the study instrument

Table (1): Internal consistency coefficients (Cronbach Alpha)

<table>
<thead>
<tr>
<th>variables</th>
<th>Reliability coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>transparency of relationships</td>
<td>0.616</td>
</tr>
<tr>
<td>internal moral perspective</td>
<td>0.869</td>
</tr>
<tr>
<td>balanced operation</td>
<td>0.776</td>
</tr>
<tr>
<td>self-awareness</td>
<td>0.791</td>
</tr>
<tr>
<td>personal commitment to learning</td>
<td>0.761</td>
</tr>
<tr>
<td>shared vision of learning</td>
<td>0.606</td>
</tr>
<tr>
<td>openness and experience in learning</td>
<td>0.832</td>
</tr>
<tr>
<td>transfer of integrated knowledge</td>
<td>0.870</td>
</tr>
<tr>
<td>Human resources related performance</td>
<td>0.885</td>
</tr>
<tr>
<td>Market related performance</td>
<td>0.695</td>
</tr>
<tr>
<td>Operations related performance</td>
<td>0.789</td>
</tr>
<tr>
<td>Total</td>
<td>0.963</td>
</tr>
</tbody>
</table>

Table (1) demonstrates that the security coefficients of the variables were higher than 60%. This shows inward consistency between the passages. (96.3 %), which affirms the legitimacy of the survey in the theory tested. (Abu-Salih, 1989)

7.4 Test hypotheses

H$_1$: There is no statistically significant impact between Authentic Leadership and performance of Pharmaceutical companies in Jordan.

A multiple regression analysis was carried out to determine the Impact of Authentic Leadership on performance at the level of significance (as<=0.05).

Table (2): (Model Summary)

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.969</td>
<td>0.938</td>
<td>0.937</td>
<td>0.1292</td>
</tr>
</tbody>
</table>

Table (2) shows that the value of the correlation coefficient of Authentic Leadership and the variable (performance) was 96.8%. The value of the coefficient of determination ($R^2$) is 0.938, so 93.8% of the total variance is explained by the model and the rest is explained by other factors (Hair, 2010).

Multiple regression tests:
Table (3) shows that the value of F is (867.869) and the statistical significance level is (0.00) and thus is less than (0.05). There is an impact of Authentic Leadership on performance at the significant level ($\alpha \leq 0.05$).

Table (4) shows the results of Coefficients for the impact of Authentic Leadership dimensions (transparency of relationships, internal moral perspective, balanced operation, self-awareness) on performance. The table shows the calculated t values for (transparency of relationships, internal moral perspective, balanced operation, self-awareness) respectively (1.321, 12.779, 13.465, 20.289). The level of significance of t sig was (0.188, 0.00, 0.00, 0.00) in sequence. The table also showed an impact of the dimensions (transparency of relationships, internal moral perspective, self-awareness) on performance, while transparency of relationships has no impact.

**H2:** There is no statistically significant impact between Authentic Leadership and organizational learning.

A multiple regression analysis was carried out to determine the Impact of Authentic Leadership on organizational learning at the level of significance ($\alpha \leq 0.05$).

Table (5) shows that the value of the correlation coefficient of Authentic Leadership and the variable (organizational learning) was 77.8%. The value of the coefficient of determination ($R^2$) is 0.605, so 60.5% of the total variance is explained by the model and the rest is explained by other factors (Hair, 2010).

**Multiple Regression Test:**

Table (6) shows that the value of F is (88.028) and the statistical significance level is (0.00) and thus is less than (0.05). There is an impact of Authentic Leadership on organizational learning at the significant level ($\alpha \leq 0.05$).

Table (7) shows the results of Coefficients for the impact of Authentic Leadership dimensions (transparency of relationships, internal moral perspective, balanced operation, self-awareness) on organizational learning. The table shows the calculated t values for (transparency of relationships, internal moral perspective, balanced operation, self-awareness) respectively (5.654, 2.347, -0.182, 8.377). The level of significance of t sig was (0.00, 0.02, 0.856, 0.00) in sequence. The table also showed an impact of the dimensions (transparency of relationships, internal moral perspective, self-awareness) on organizational learning, while balanced operation of relationships has no impact.

**H3:** There is no statistically significant impact between organizational learning and performance of Pharmaceutical companies in Jordan.

A multiple regression analysis was carried out to determine the Impact of organizational learning on performance at the level of significance ($\alpha \leq 0.05$).

Table (8) shows that the value of the correlation coefficient of organizational learning and the variable (performance) was 87.6%. The value of the coefficient of determination ($R^2$) is 0.767, so 76.7% of the total variance is explained by the model and the rest is explained by other factors (Hair, 2010).

**Multiple Regression Test:**
Table (9) shows that the value of F is (188.955) and the statistical significance level is (0.00) and thus is less than (0.05). There is an impact of organizational learning on performance at the significant level (α ≤ 0.05).

Table (10) shows the results of Coefficients for the impact of Authentic Leadership dimensions (personal commitment to learning, shared vision of learning, openness and experience in learning, transfer of integrated knowledge) on performance. The table shows the calculated t values for (personal commitment to learning, shared vision of learning, openness and experience in learning, transfer of integrated knowledge) respectively (6.784, 4.091, -1.761, 18.607). The level of significance of t sig was (0.00, 0.00, 0.08, 0.00) in sequence. The table also showed an impact of the dimensions (personal commitment to learning, shared vision of learning, transfer of integrated knowledge) on performance, while openness and experience in learning of relationships has no impact.

H2: There is no statistically significant indirect impact between Authentic Leadership and performance of Pharmaceutical companies in Jordan through organizational learning as a mediator variable

This is illustrated by the path analysis test (PLS) in Table 12 as follows:

Table (11) shows the results of the path analysis where the table shows the value of (LL, UL) confidence period (45%) which gives the minimum (LL) and the maximum (UL) as well as the values (VAF) that were greater than (20%) and less From (80%), which indicates that there is a partial impact of the organizational learning, that is, there is an impact at the level (0.05) of Authentic Leadership through the moderator variable (organizational learning), based on the basis of VAF developed by (Hair, Ringle, & Sarstedt). (2014):

VAF <20% no mediation 20%-80% Partial Mediation VAF> 80% Full Mediation.

8. RESULTS DISCUSSION:

1) There is an impact of the dimensions (internal moral perspective, balanced operation, self-awareness) on performance, while transparency of relationships has no impact.
2) There is an impact of the dimensions (transparency of relationships, internal moral perspective, self-awareness) on organizational learning, while balanced operation of relationships has no impact.
3) There is an impact of the dimensions (personal commitment to learning, shared vision of learning, transfer of integrated knowledge) on performance, while openness and experience in learning of relationships has no impact.
4) There is a partial impact of the organizational learning; therefore, there is an impact at the level (0.05) of Authentic Leadership through the moderator variable (organizational learning).

9. RECOMMENDATIONS:

1. Human pharmaceutical companies in Jordan should work to improve the levels of transparency in the relations between managers and subordinates.
2. The study recommends the importance of developing the behaviors and patterns of authentic leadership of the administrative leaders at all administrative levels, as well as following the balanced operation of information when evaluating employees.
3. The possibility of conducting this study in other sectors such as the health or education sector.

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