

# Management by Walking Around and Service Quality: The Moderating Role of Transformational Leadership – A Concept of the Arab Bank in Jordan

**Bilal Khalaf Sakarneh<sup>a</sup>**, <sup>a</sup>Faculty of Business, Isra University, Jordan, Email:  
[Bilal\\_sakarneh@iu.edu.jo](mailto:Bilal_sakarneh@iu.edu.jo)

Service quality remains a challenging issue in the Arab Bank in Jordan in the area of managing its route operations. Management by walking around (MWA) is an effective established approach commonly employed to monitor the progress of activities and to checkmate and resolve impending problems in organisations. This is achieved through an effective transformational leadership approach used by Arab Bank managers to improve the service quality of their personnel. The moderating effect of transformational leadership on the relationship between MWA and service quality remains an area that lacks research focus, particularly in Jordan. In spite of contemporary progress in the research of transformational leadership and its implementation in banks such as the Arab bank in Jordan, improvement of service quality continued to be a challenging issue until this current research intervention. The findings revealed that transformational leadership has a strong potential to moderate the relationship between management by walking around and the quality of the Arab Bank services in Jordan. It also showed that this moderating effect of transformational leadership has significant and positive influence on personnel ability to improve performance, which in turn, influences service quality. It is projected that this moderating role of transformational leadership can substantially improve service quality by examining the strength of the relationship between MWA and service quality. Hence, this work, based on the relevant literature and theories, conceptualised that ‘transformational leadership moderates the relationship between communication power by uncovering facts, encouragement, feedback, and service quality in the Arab bank in Jordan.

**Key words:** *Arab Bank, Jordan, Management by Walking Around, Service Quality, Transformational Leadership.*

## Introduction

A bank is a financial establishment that operates many services ranging from accepting deposits, paying cash, clearing cheques, granting loans, paying interest, as well as acting as a mediator in financial dealings for its clientele (Sabri, 2010; Shehadeh & Mansour, 2019). All these activities require management and leadership for banks to successfully provide effective services to their customers. Despite technological innovations and financial globalisation, these activities have placed huge pressures on banks in Jordan due to the huge workload they cover daily (Alnawafleh et al., 2018). Therefore, banks are constantly searching for new effective managerial practices and approaches that will support them to offer effective and high service quality in meeting customer needs (Durrach et al., 2018). The banks in Jordan are the most powerful sector of the country's financial services (Shehadeh & Mansour, 2019). They were created in 1948 when the Arab Bank shifted its key office from Jerusalem to Amman (Mansour, 1982; Mansour & El Moussawi, 2019). It has 100 branches in Jordan and 12 branches in the regions of West Bank and a further 600 branches in four continents (Miani & Daradkah, 2008; Al-Chahadah & Soda, 2016).

Service quality is recognised as the key factor aiding in achieving a competitive advantage. A question such as how to offer high-quality service becomes very challenging to bank managers (Sabri, 2010). Studies have ascertained managerial practices that can improve service quality in the banking industry through management by walking around (Alnawafleh et al., 2018; Durrach et al., 2018; Roberts, 2019).

Management by walking around is a form of management integrating the administrative system in the presence of managerial leaders in the area of management activities that facilitates the process (Razavi et al., 2015). It is achieved through the individual leaders' ability to communicate, uncover and address problems in any area of management activities. Management by walking around focusses on human interactions, on the spot appraisal, and administration, and is vital for high service outcomes, especially in banks. Studies have indicated the positive influence of management by walking around on organisational outcomes (Nutt & Backoff, 1996; Van Dyck et al., 2013; Vänje & Brännmark, 2017).

Transformational leadership is a form of governance or management that assists in raising the degree of self-awareness and realisation while encouraging the development of an organisation (Ming et al., 2018). The transformational leader has an attribute of raising knowledge of the main problem areas, while boosting the confidence of the personnel themselves, hence altering their aims from self-interest to persistence in greater success and development (Abazeed, 2018). Leadership that is transformational in nature is of top most importance for organisations such as the Bank, as it brings about better comprehension of leaders' concepts, perceptions, approaches, and allows them to learn how to enhance banking operation and inspire individuals

and teams to perform the required service demands of them (Al Ahmad et al., 2019). Even within the range of leadership styles, management by walking around encouraging leaders to serve the interests of their firms above their self-interests through follow-up activities assigned to different employees (Men et al., 2018). Transformational leadership has the ability to boost the confidence of employees under their jurisdiction to realise optimal performance, via management by walking around. In doing so, the employees accomplish their firm management activities according to schedule and anticipated outputs (Masa'deh et al., 2018).

At the present time, the Arab bank in Jordan has several internal challenges (e.g. weak organisational culture, a lack of result driven personnel, weak corporate governance, insufficient labour force diversity) and faces external challenges (e.g. major competitors, a position to maintain in the international market, multiplicity and difference in product acceptability), just as for every other bank in the region. Some of the most important among these challenges are the high number of external competitors and the lack of result driven personnel, which is increasing on a global basis (Sabri, 2010; Shehadeh & Mansour, 2019). In order to resolve these issues, the Arab bank in Jordan needs a leader with the ability to execute the bank's response to problems and threats encountered by the other banks. Transformational leaders have the ability to develop strategies allowing the bank to overcome these challenges and top the competition through managing the issues by walking around and proffering ways out, which assist the Arab bank to survive in a competitive market (Mansour & El Moussawi, 2019).

The transformational leadership style considers early leadership theories such as Trait Theory, Behavioural Theory, Situational Leadership Theory, Path-Goal Theory, Power and Influence Theory etc., focussed on key characteristics and influence of a leader on those under his supervision and control (Vecchio et al., 2008; Anderson et al., 2017; Galli, 2019; Kibbe, 2019). These theories can help to fully understand the moderating role of transformational leadership in improving the service quality of the Arab bank through the application of the principle of management by walking around. There is no obtainable literature that has reported this effect prior to this work. Despite the impact of transformational leadership in moderating leadership style and performance (Vecchio et al., 2008; Oreg & Berson, 2011), still there is no information on practising management by walking around on service quality with respect to the Arab bank in Jordan that has ever been reported. Therefore, this study poses a question: 'can transformational leadership moderate the relationship between management by walking around the dimensions and quality of Arab bank services in Jordan? Hence, the purpose of this study to examine the concept of the moderating role of transformational leadership on the relationship between the management by walking around and the quality of the Arab bank services in Jordan. This is based on the dimensions (uncovering facts, communication power, encouragement, creativity, and feedback) of management by walking around.

This study contributes to the available literature on the moderating role of transformational leadership on the management of walking around and the quality of Arab bank services in Jordan, and hence enhances scientific knowledge in the field of management and leadership.

## **Theoretical Framework and Hypotheses Development**

In order to fully break down the theoretical framework of this study into simple steps to facilitate understanding of the issues – thereby developing hypotheses to address the problems identified – this study starts with the concept of the moderating variable, followed by dependent and independent variables.

### ***Concept of Transformational Leadership***

This research focusses on transformational leadership as a moderator as one of the contemporary leadership theories that capture the attention of numerous investigators (Anderson et al., 2017; Galli, 2019; Kibbe, 2019). It is one of the crucial and valuable leadership styles for financial organisations such as banks (Al Ahmad et al., 2019). Currently, several banks have employed the concept of transformational leadership to transform their organisations to lead in the face of global competition (Jensen et al., 2019; Shehadeh & Mansour, 2019).

The first theory in this concept, according to Burns (1978), is that transformational leadership is a process by which leaders embolden those under their control to give more priority to the organisational interest above their personal interest. This theory was originally concentrated on transformational leadership due to growing the degree of mutual accord between the leader and the personnel. The author later indicated that transformational leadership theory is useful in comprehending the characteristics of the relations between the leader and the personnel that is managed with the aim of supporting employees to prioritize managerial objectives above personal objectives (Galli, 2019).

According to Bass (1985, 1990), transformational leadership is the capability of the leader to transform minions (i.e. juniors) to greater extents of performance and to realise organisational productivities. Bass & Avolio (1990) indicate that transformational leadership refers to the transformation of employees into leaders by way of offering them career chances through enablement and objectivity. In line with this, Suifan et al. (2018) revealed that transformational leadership is realised by motivating the personnel to increase the degree of independence and self-confidence, succeeding in the social interrelation between the workers and their team, and finally by connecting organisational values with the self-values.

Based on the Bass & Riggio (2010) standpoint, transformational leadership acts as a bond or connection between the leader and personnel in comprehending the personell interests, values, and degrees of enthusiasm, impulse, or incentive. By facilitating personnel to realise organisational goals, they can acclimatise to new practices in the organisation (e.g. new technology, innovations, etc.) and changes in the organisation (e.g. structure, leadership, culture, approaches, and creativity). This is well-recognised as the capability of a leader to encourage teams or workers to perform extra activities, which are not basically stated in their job description (Parkman, 2002; Schmitt et al., 2016).

With respect to this leadership style, the framework is described by a clear prospect foresight of the potential organisational goals that must be attained via transformational concept and approach, especially in old banks such as the Arab bank in Jordan that changes are enormously necessary to its existence in the highly competitive markets in Middle-east and Asia. This concept is based on many dimensions; with the most imperative ones including inspiring personnel to build a long-term mutual purpose, pursuing change and organisational development through implementing a dynamic leadership style allowing acclimatizing to all external forces, e.g. competition. This transformational leadership in terms of teamwork provides a vigorous operational environment and boosting discourse in different management levels (Kearney, 2008; Anderson et al., 2017). This current study looks at this concept of these theories in terms of transformational leadership in managerial dimensional approach in the Arab bank in Jordan. The dimensions are vital in understanding the moderating role played by transformational leadership.

### ***Dimensions of Transformational Leadership***

Transformational leadership has many dimensions. There are about four key transformational leadership dimensions reported by Bass and Avolio (1994) and Galli (2019): idealised power, intellectual inducement, inspirational inducement, and individualised contemplation. The current study embraces these dimensions for the transformational leadership approach in the Arab bank in Jordan. The dimensions are elaborated as follows:

Idealised power attributes are defined as the manner the leader acts in that results in the admiration by personnel under his/her control, which in turn, assists the leader to propagate the organisational goals and encourage the zeal in personnel. The ideal power is one of the key attributes of the transformational leaders, which involves the power to sacrifice individual interests for the progress of their team and the organisation. They also exhibit a superior ethical norm that is viewed and emulated by other personnel under their control as role models in terms of situational patterns (Wofford et al., 2001; Jansen et al., 2008; Golden & Shriner, 2019). The most impactful attributes with regards to ideal power are the capability of leaders to earn trust and admiration of the personnel, keep up with ethical values, shun the use of power in realising

personal interest and ensure other personnel perform in line with organisational goals. This is particularly important in the Arab bank of Jordan because of its high use of technological innovations and activities due to the existence of enormous challenges (Mansour & El Moussawi, 2019).

Intellectual inducement symbolises enhancing a personnel's capability to think independently about how to perform tasks assigned to him/her. It also describes the ability of a person to think logically and be coherent and sensible when evaluating others according to activities in the surroundings. Alternatively, it symbolises the capability of a leader to support staff to address issues encountered by the organisation by depending on new approaches to resolve the issues (Gandhi, 2019). In doing so, the leaders motivate the staff to use a new approach to new resolutions to the impending issues. The leader compensates personnel in the form of incentives to maximise their ability to realise this purpose (Breevaart et al., 2014). The intellectual inducement implies inspiring the personnel to assume risk tolerance to come up with new approaches and concepts that enhance organisational accomplishment (Al Ahmad et al., 2019). In the context of the Arab bank in Jordan, intellectual inducement indicates reexamining the conventional ways of doing business, considering capability of human resources before assuming new innovations and practices, before adopting resourceful ideas, opinions, reasoning and managing the bank responsibilities that require confronting the problems and overcoming obstacles to realise its objectives (Al-khrabsheh et al., 2018). This attribute remains a problem in the Arab bank in Jordan due to a lack of transformational leaders in position.

Inspirational inducement is used by leaders in order to set and convey the organisation's prospective vision by employing emotional encouragements, showing optimism and enthusiasm for action (Sayeed & Shanker, 2009; Hashem, 2010). In the context of the Jordanian Arab bank, leaders with inspirational inducement can motivate the bank personnel by aligning the vision of the bank and their interests to adopt and follow the goals by inspiring interest and eagerness towards objectives, positivity, self-assurance, and dependence (Moghrabi, 2012; Al-Lozi et al., 2018).

Individualised contemplation is one of the key attributes of transformational leaders. The leaders achieve this through connecting the personnel with the organisational development by charging and managing them in the direction of organisational objectives and giving opportunities for training and career development (Parkman, 2002; Suifan et al., 2018). Alternatively, individualised contemplation symbolises the leader's admiration and understanding of the personnel interest in his own career interests, which include promotion, development, and training. This trait is not restricted to ethical concerns and personnel obligation, but also to personnel needs, wants, and breakdown of the personnel's capabilities to work and the allocation of responsibilities consistent with their capabilities (Oreg & Berson,

2011). This attribute of transformational leaders is found to have inadequate presence in the Arab bank of Jordan, because the leaders appear to be somewhat characterised with self-centred and individualised contemplation by focussing on their own career interests rather than aligning it with that of their subordinates under their jurisdiction (Altarawneh, 2009; Al-khrabsheh et al., 2018).

### ***Moderating role of Transformational Leadership***

The moderating role of any variable has a positive or negative effect on the relationship between dependent and independent variables. In other terms, a moderator can function in a qualitative or quantitative capacity affecting the direction and strength of the relationship between the independent and dependent variable. The moderating role of transformational leadership between organisational commitment and work withdrawal in terms of management has been previously indicated (Wang & Walu MWA, 2007). The authors show the moderating effect of transformational leadership on the performance of personnel toward their organisation. In a similar manner, Sungu, Weng, & Xu (2019) examines the moderating roles of transformational leadership and occupational commitment to organisational commitment and job performance. They indicated that moderating roles of transformational leadership enhance the personnel's organisational commitment and job performance. Likewise, Howladar, Rahman, & Uddin (2018) reported a positive effect of the moderating role of transformational leadership between job performance and deviant workplace behaviour. These authors revealed that leaders with strong idealised power and inspirational inducement managed the personnel better in improving their job performance by minimising deviant workplace behaviour. The relationship has been recently established by researchers. Durrah, Eltigani, & Bilal (2018) indicated that practising management by walking around (MWA) and service quality is impacted by leadership styles.

To be concise, the strength of transformational leadership to act as a moderator depends on the capacity of a leader to interact with his personnel under fair grounds and gives each staff due consideration, which inspires the feeling to work in the interests of the organisation. For a transformational leader to treat his/her personnel fairly does not automatically imply that the leader values personnel in the same way, irrespective of performance (Howladar et al., 2018; Golden & Shriner, 2019), but to fairly treat them in line with organisational protocol and encourage them toward organisational goals. The ability of transformational leaders to display this trait lies in their ability to successfully manage the personnel toward the organisational goals. Therefore, the transformational leadership dimensions have the potential to moderate relationships between internal service quality and management by walking around in the Arab bank in Jordan.

### ***Concept of Management by Walking Around***

Management by walking around (MWA) is an effective technique used by leaders to ascertain service problems within an organisation in which there is no other way a leader could have knowledge about them. In this context of MWA, leaders become more efficient when they are conversant with activities in their organisations when they are in constant contact with personnel, clients, and the work environment (Tucker and singer, 2015; Petruska, 2018). The concept of this theory has been in existence due to its effectiveness in managing personnel in the workplace; however, some researchers such as Anderson et al. (2017) believe that what works for one organisation may not work for others. This limits the present leadership theories for the new generation. Conversely, researchers such as Durrah, Eltigani, & Bilal (2018) and Ibrahim (2019) believe that the theory can work for all, depending on the leadership style. Prior to this, Jones (2001) while responding to the question "Does MWA still work?", revealed that this approach could still work efficiently in any organisation in the present day, depending on the approaches and styles employed by the leaders. For instance, sincerity and affability to inquiries and concerns, paying attention, careful observation, being a role model to the personnel, providing career opportunities, giving attention to their career concerns, and allowing adequate time to resolve issues.

In practice, MWA has effects on employees and organisations such as banks (Tucker & Singer, 2015; Buerghenthal et al., 2018). This is particularly so when the walk about occurs frequently, then employees increase the rate of performing his/her duty according to the organisation's discretion. Several investigators have carried out various studies to examine the influence of MWA on organisational performances via diverse dimensions, including uncovering facts, communication power, encouragement, creativity, and feedback. The current study will be examining these dimensions in the context of the Arab bank in Jordan. It is believed that these dimensions of MWA will improve service quality and leadership style of the Arab bank in Jordan. Therefore, these MWA dimensions are explicated as follows:

Leaders or bank managers in the Arab bank are facing challenges in uncovering facts of the main issues affecting bank operations through its personnel. Consistent with this, MWA is one of the most effective techniques used to identify and find solutions to these issues (Men, Chen, & Ji, 2018). The uncovering facts approach are logical steps used to get adequate information regarding a problem within the organisation; this process aids the bank managers to ascertain the representativeness and certainty of problems needing to be solved. DuBois (2019) uncovering facts is the capability of the managers via walk about to ascertain the issues of the organisation by assessing the quality of performance, observing activities and obtaining full information concerning the business or institution. Razavi et al. (2015) showed that managers must leave offices and converse with employees in their organisations to uncover their worries

and challenges. Vänje & Brännmark (2017) demonstrated that the managers have to allot much of their time in the walking around the staff to deliberate on their unit's problems.

Communication is central to bank management; bank managers cannot perform their fundamental role without effective communication (Dhanorkar et al., 2013). Management achievement depends on the capability of managers to be in contact with co-workers, assistants, and customers by establishing a good relationship with them. Men, Chen, & Ji (2018) indicated that managers employ MWA as regular informal meetings to communicate bank values and guidelines to individuals and units, which in turn, improve relationships and confidence. Zahniser (1993) indicated that implementing MWA could assist bank managers or leaders to solve the issues that personnel occasionally encounter to follow their busy subordinate, by making them more comfortable and ready to converse on any challenges faced. This process also improves teamwork and engagement. MWA offers an opportunity for free communication that is more effective compared with prepared communication, but managers must shun condemnation and blame during the walk about, which negatively affects the employees.

Encouragement is a vital MWA dimension, which influences high service quality. Practising MWA encourages positive manners and norms of personnel towards work and inspires managers to confront work challenges by directly communicating with personnel (Loud, 2014). Practising MWA enhances leadership efficacy because it inspires leading managers to leave their office table and wander in the place of work, observing activities, establishing relationships, growing a personal connection, and conveying schedules that personnel need to contribute to the success of bank service quality (Loud, 2014). When the workers perceived the shared mutual relationships with managers are positive, it improves confidence and stimulates personnel to match organisational standards and strategies, which guarantees service quality (Jones, 2001).

Creativity is the heart of the innovation that propels development in the Arab bank in Jordan (Al-Lozi et al., 2018). The key purpose of development is to advance the Arab bank's ability to manage its tasks, problems, and eminent challenges by increasing communication, social interactions, confidence, enthusiasm, governance styles, decision making, and collaboration (Mostafa, 2009). Some investigators maintain that practising MWA regularly can result in constant improvements and creativity because the bank performance is positively influenced by adopting workers' ideas that are sought by service quality enhancement techniques e.g. MWA (Hashem, 2010; Suifan, Abdallah, & Al Janini, 2018). Furthermore, MWA allows bank managers to comprehend the various parts of the bank issues, and their likely influences, when interacting with leading personnel, thus, enhances managers' service experience in problem-solving (Lorenzen, 1997; Razavi et al., 2015). It is necessary to appreciate creative ideas and suggestions contributed by personnel for the development of the organisation. In this, feedback plays an essential role in appreciating the leadership and its subordinates. The key purpose of

feedback is to enhance service quality where the bank managers establish a process of give and take for the subordinates (Abozaid et al., 2019). When the feedback is correctly practised, it increases personnel involvement. The personnel's views of feedback and service quality are linked via confidence in managers. Thus, Arab bank managers in Jordan ought to use MWA to offer practical feedback by recognising high performance via high service quality; criticism can be made confidentially on any worker, but not in public.

### *Concept of Service Quality*

In the contemporary period, attention has been redirected to the effective approach to improve service quality in the Arab bank in Jordan (Al-khrabsheh et al., 2018). This is because of substantial growth being currently witnessed in the bank service. In doing so, this increases the significance of understanding of the factors of success and failure as associated with bank services in this region (Almazari, 2012; Ghani, Said & Laswad, 2010, Ghani, Said & Yusuf, 2012; Buergenthal et al., 2018). Different researchers have described service quality from different viewpoints. Nulty et al. (2014) describe service as an action or operation that one party in a mutual agreement can offer to another party, which is fundamentally insubstantial without any ownership. Rust & Oliver (1993) describe it as a universal judgment or attitude associated with specific activities. Moreover, Houston Bettencourt, & Wenger (1998) describe it as a customer's general impression and observant appraisal of the relative strength or weakness of the organisation and its services.

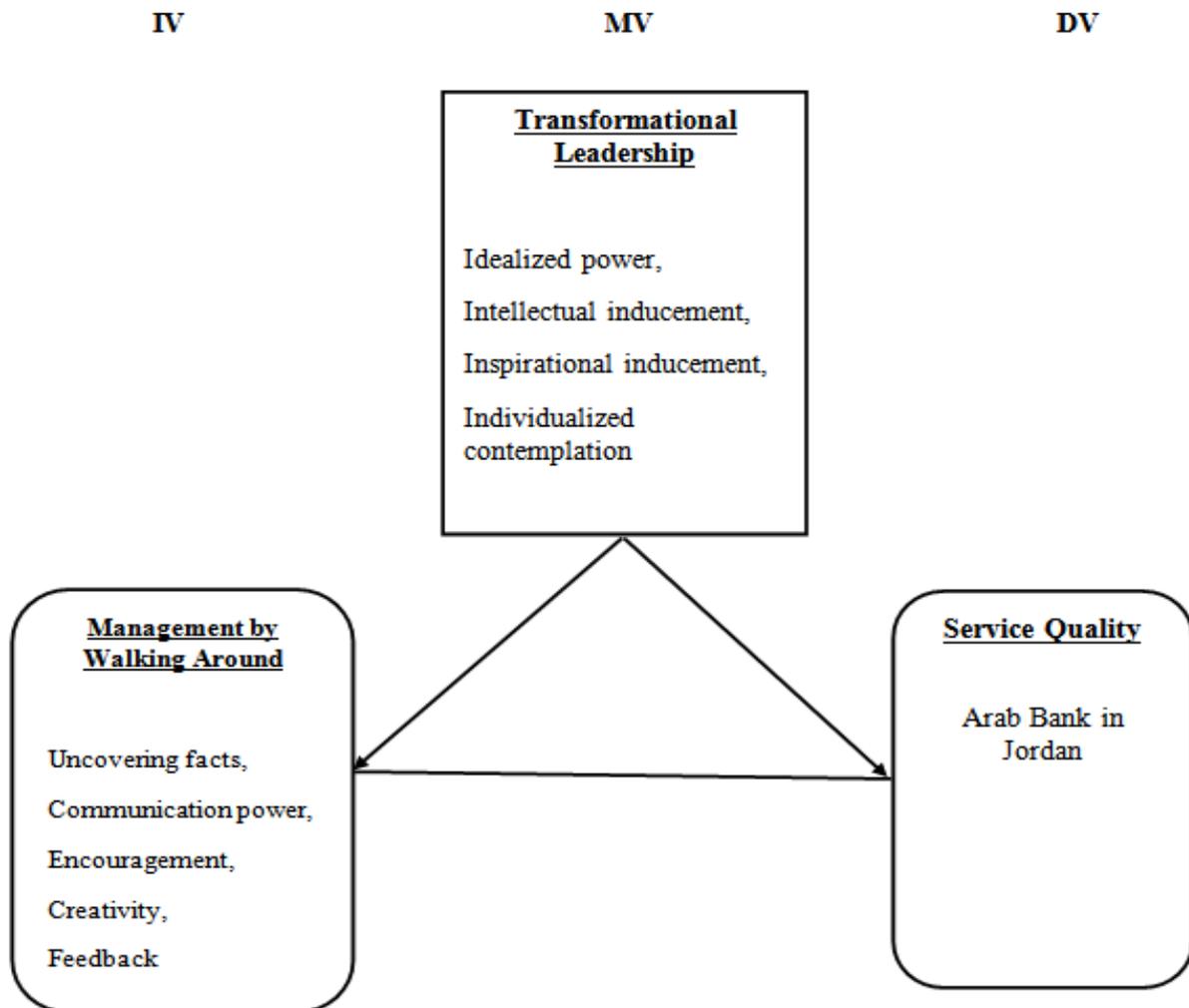
It has been showed that transformational leaders enhance the service quality of their organisation. The Arab bank of Jordan is indicated to have a slow improvement in its service quality since 5 years ago, which is mainly due to the inadequate numbers of transformational leaders in place (Yaghi, 2017). Other researchers considered it as lack of sufficient leadership styles and approach employed by the management in this age of technological advancement (Masa'deh et al., 2018; Abozaid et al., 2019).

There are many service quality theories in relation to leadership styles and approaches used in managing organisation of human resources, particularly in the banking service. Rust & Oliver (1993) propose service quality theory in terms of new directions and practice. Houston, Bettencourt, & Wenger (1998) reported a field theory perspective to evaluate the relationship between the waiting service queue and service quality. Chiu & Lin (2004) propose a service quality measurement derived from the theory of needs. Ghobadian, Speller, & Jones (1994) used service quality theory to examine organisational service quality and leadership styles. New contemplations on conceptualising perceived service quality in terms of a hierarchical approach have shown that there are improvements in management activities as a result of leadership approaches used in the organisation (Miller, 1992; Brady & Cronin, 2001).

## Research Proposition

The current study is proposing a research framework (Figure 1) concept of the moderating role of transformational leadership (dimensions: idealised power, intellectual inducement, inspirational inducement, and individualised contemplation) on relationship between the management by walking around (dimensions: uncovering facts, communication power, encouragement, creativity, and feedback) and quality of Arab bank services in Jordan. Based on Figure 1, it is expected to provide firsthand information on service quality improvement through the moderating impact of the transformational leadership style based on the MWA concept of the Arab bank in Jordan. Consistent with the review of the literature above, many theories as mentioned have supported these concepts, the following propositions are hence proposed. According to these prepositions, the MWA dimensions represent the independent variable (IV), transformational leadership dimensions represent the moderating variable (MV), and the service quality represents dependent variables (DV).

**Figure 1.** Conceptual Framework



### ***Hypotheses Development***

Based on the aforementioned literature, theories, and concepts, the following hypotheses are proposed:

**H1:** Uncovering facts significantly moderate the service quality through an effective transformational leadership of idealised power in the Arab bank in Jordan.

**H2:** Communication power significantly moderates the service quality through an effective transformational leadership of intellectual inducement in the Arab bank in Jordan.

**H3:** Encouragement significantly moderates the service quality through an effective transformational leadership for inspirational inducement in the Arab bank in Jordan.

**H4:** Creativity significantly moderates the service quality through an effective transformational leadership for individualised contemplation in the Arab bank in Jordan.

**H5:** Feedback significantly moderates the service quality through an effective transformational leadership for individualised contemplation in the Arab bank in Jordan.

### **Methodology**

#### ***Sample and Data Collection***

The purpose of this study to examine the concept of the moderating role of transformational leadership on the relationship between the management by walking around and the quality of Arab bank services in Jordan. This study surveyed 22 branches of Arab banks in Amman, Jordan (Table 1). These Arab bank branches were chosen because they are the major branches of this bank with regards to number of personnel and are well recognised within the Amman. The collection of data was made using a purposive sampling of the bank administrative staff (this includes Directors, Branch Managers, Unit Heads, Bank Auditors, and General Personnel). The sample comprised of 70% males and 30% female personnel; the majority of these participants were possessing at least bachelor degrees with eight years' experience and above; 76% of participants work as Directors, Branch Managers, or Unit Heads, while 24% work as Bank Auditors and General Personnel. Overall 54% of personnel are within the age group between 30 and 50 years. Out of 550 questionnaires distributed to the participants, overall 475 responses were obtained, with the response rate of 86.36% (Table 1). This implies that 13.64% of the participants did not return their responses.

**Table 1:** Branches of Arab bank in Amman (Jordan) Sampled

Arab Bank Plc	Branch Location	Questionnaire Distributed	Return	% Response
Amman, Jordan	Suweileh Branch	25	19	3.45
Amman, Jordan	Mahatia Street Branch	25	21	3.82
Amman, Jordan	JabalLuweibdeh Branch	25	20	3.64
Amman, Jordan	Wahdat Branch	25	22	4.00
Amman, Jordan	Jabal Amman Branch	25	20	3.64
Amman, Jordan	Abdali Branch	25	19	3.45
Amman, Jordan	Quraysh Street Branch	25	23	4.18
Amman, Jordan	King Faisal Street	25	24	4.36
Amman, Jordan	University Street	25	25	4.55
Amman, Jordan	Al-Jubeiha Branch	25	20	3.64
Amman, Jordan	Gardens Branch	25	22	4.00
Amman, Jordan	Suwaifeyya Branch	25	22	4.00
Amman, Jordan	Abu Alanda	25	21	3.82
Amman, Jordan	Abdoun Branch	25	23	4.18
Amman, Jordan	Fifth Circle Branch	25	25	4.55
Amman, Jordan	Rabia Branch	25	21	3.82
Amman, Jordan	Mecca Street Branch	25	17	3.09
Amman, Jordan	Wadi Seer Branch	25	21	3.82
Amman, Jordan	Central Operations Unit- Trade Finance Services	25	24	4.36
Amman, Jordan	Private Banking Department 6	25	18	3.27
Amman, Jordan	Centralised Salaries Unit	25	23	4.18
Amman, Jordan	Test Key Department	25	25	4.55
<b>Total</b>	<b>22</b>	<b>550</b>	<b>475</b>	<b>86.36</b>

### *Measurement*

This study used a questionnaire survey to qualitatively measure the moderating role of transformational leadership on dependent (Service Quality) and independent (MWA) variables. The measurements used in this study are according to a five-point Likert-scale spreading from strongly disagree (i), disagree (ii), neutral (iii), agree (vi), and strongly agree (v). Management by walking around (MWA) was measured based upon a scale used by Shra'ah et al. (2013). This scale has been used by several studies in relation to service quality and leadership in different sectors (Razavi, Patil, Wigen, & Hosmath, 2015; Durrah, Eltigani, & Bilal, 2018; Ibrahim, 2019). It consists of five dimensions (i.e., Uncovering facts, Communication power,

Encouragement, Creativity, and Feedback) encompassing 20 items. Service quality was measured using a scale established by Chiu & Lin (2004). This scale has been utilised by studies (Rust & Oliver, 1993; Ghobadian, Speller, & Jones, 1994; Durrah, Eltigani, & Bilal, 2018). The moderating effect of Transformational Leadership was measured based upon Bass and Avolio (1994) and Galli (2019); four dimensions (i.e. Idealised power, Intellectual inducement, Inspirational inducement, and Individualised contemplation). These dimensions have been applied by researchers in different banks (Ming, Tee, & Hua, 2018; Masa'deh et al., 2018; Al Ahmad, Easa, & Mostapha, 2019). The study reliability and validity of dimensions of the questionnaire in the Arab bank is tested. The reliability coefficient is 0.87 and the  $p < 0.001$ . The reliability coefficients are significant at  $p < 0.01$  for the total of 29 items used. The scale for internal reliability of the questionnaire dimensions is measured based on the Cronbach Alpha (Cronbach Alpha=0.65  $p < 0.01$ ) procedure. A descriptive statistical analysis is used to analyse data based on the questionnaire in order to find the mean Standard Deviation, Skewness, Kurtosis, and Correlations as well as the moderating effect. A statistical software Statistical Package for the Social Sciences (SPSS) is used to compute the values.

## Findings

The results obtained from descriptive analysis are presented in Table 2. Based on Table 2, the mean of Management by Walking Around (MWA) dimensions is significant ( $p < 0.05$ ), where transformational leadership (4.91), feedback (4.86), and uncovering facts (4.78) had the highest means in descending order. The service quality (4.59) and encouragement (4.38) had a significant average means, while creativity (3.62) and communication power (3.23) had the lowest means. Moreover, all standard deviations show low values; this suggests that there is no disparity in participants' responses.

The results showed normal distribution, with kurtosis and skewness values found within an acceptable range (-2 to +2) as indicated by Oppong & Agbedra (2016), with  $< 0.80$  correlation coefficient between the variables, suggesting there is no overlap between questionnaire items based on Murtagh & Heck (2012).

**Table 2:** Descriptive Statistic (Mean, Standard Deviation, Kurtosis, Skewness, and Correlations)

S	Variables	Mea	SD	Kurt	Skew	1	2	3	4	5	6	7
1	Uncovering facts	4.78	.711	-.511	-.644	1						
2	Communication power	3.23	.897	-.301	.707	.183	1					
3	Encouragement	4.38	.922	-.725	-.190	.054	.241**	1				
4	Creativity	3.62	.971	-1.20	.233	.024	-.034	-.129	1			
5	Feedback	4.86	1.01	-.433	-.782	.261**	.061	.062	.067	1		
6	Transformational leadership	4.91	.974	-.744	-.169	.062	.282**	.054	.075	.049	1	
7	Service Quality	4.59	.888	.984	-.848	.383**	.263**	.191*	-.088	.354**	.336**	1

\*p<0.05;\*\* p <0.01; Skew = Skewness; Kurt = Kurtosis; n = 475

In line with Table 3, the transformational leadership significantly and positively moderated relationship between service quality and uncovering facts ( $r = 0.154$ ,  $p < 0.01$ ), communication power ( $r = 0.302$ ,  $p < 0.001$ ), encouragement ( $r = 0.255$ ,  $p < 0.05$ ) and feedback ( $r = 0.295$ ,  $p < 0.01$ ). However, the transformational leadership failed to moderate the relationship between service quality and creativity ( $r = -0.367$ ,  $p > 0.05$ ). According to Table 3, four hypotheses are accepted (H1 H2, H3, and H5), whereas one hypothesis is rejected (H4).

**Table 3:** Hypothesis Testing for moderating role of transformational leadership

H.	Moderating Paths (Arab bank in Jordan)	Moderating Effect	S.E.	C.R.	P-value	Results
H1	Uncovering facts - Service Quality moderated by idealised	0.395	0.078	1.003	0.043	Supported
H2	Communication power - Service Quality moderated by intellectual	0.234	0.041	1.365	0.018	Supported
H3	Encouragement - Service Quality moderated by inspirational	0.257	0.111	1.428	0.031	Supported
H4	Creativity - Service Quality moderated by individualised	-0.266	0.109	-1.222	0.199	Not Supported
H5	Feedback - Service Quality moderated by individualised	0.382	0.076	2.591	0.0012	Supported

C.R. Critical ratio, which is  $> 1.87$ ; moderating path is significant at 0.05

## Discussion

The results revealed that performing MWA by leaders of the Arab bank has an average and moderating effect on transformational dimensions, such as idealised power, intellectual inducement, inspirational inducement, and individualised contemplation, which in turn influence the service quality of the bank. The MWA dimensions that are most practised by these leaders were feedback and uncovering facts, subsequently encouragement and communication power, while creativity are less practised by Arab bank leaders. The current findings appeared to concord with results of earlier studies, in which Durrah Eltigani, & Bilal (2018) and Razavi et al. (2015) reported similar MWA dimensions. These findings suggest that directors, branch managers, and unit heads as imperative transformational leaders of the Arab bank in Jordan tend to walk around the bank to obtain feedback regarding real problems influencing the bank services. This is achieved by evaluating the performance of personnel, and finding solutions to the issues they encountered. In this walking about, the leaders help to transform the situations through encouragement and uncovering facts via one on one communications to construct and develop business strategies that enhance the quality of service deliverance. These walking abouts also enable the communication process and drive the personnel to explain and present their opinions and propositions, as well as discuss about their necessities and requests. In doing so, this saves time and the strength of the personnel, thereby keeps them alert and efficient to further propel the bank services forward to meet the satisfaction of the customers. Transformational leadership style and traits are consistent with early leadership theories such as the Trait Theory, Behavioural Theory, Situational Leadership Theory, Path-Goal Theory, Power and Influence Theory etc., since these theories focussed on the main traits and influence of a leader on those under his control (Vecchio et al., 2008; Anderson et al., 2017; Galli, 2019; Kibbe, 2019).

Moreover, the results also indicated that the degree of service quality offered by the Arab bank is good, but not excellent, therefore requires more effort from the bank leadership to transform bank services by managing the impending problems through walking around the personnel to uncover the facts on the ground. This finding is in agreement with earlier results indicated by Alnawafleh et al. (2018) and Ming, Tee, & Hua (2018). This can be ascribed to the fact that Arab banks are well distributed across Jordan due to adequacy in their services to the customers, since the bank uses rapid and advanced technology to override its competitors in the market. Hence, the need to move the services from good to excellent quality to be able to continue to lead in the market.

The current findings showed two MWA dimensions (that is uncovering facts and feedback) which had a strong significant and positive influence on the service quality. These findings are ascribed to the significance of MWA in ascertaining the dominant areas in the Arab bank work in Jordan by ascertaining the issues encountering personnel and assuming suitable decisions.



In addition, MWA adds to enhancing feedback between leaders and personnel by growing the rapport and mutual confidence by uncovering facts to be treated to benefit the bank and the personnel, inculcating passion among personnel and raising their self-confidence and determination.

## **Conclusion**

This study contributes to the research knowledge regarding the moderating role of transformational leadership on the relationship between management by walking around and the quality of Arab bank services in Jordan. The findings indicated that transformational leadership has a strong moderating effect on the relationship between management by walking around and the quality of Arab bank services in Jordan. It also showed that this moderating effect of transformational leadership has strong and positive effect on personnel's ability to improve performance and in turn influence service quality.

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