

THE ROLE OF LEADERSHIP STYLE, JOB SATISFACTION, ORGANIZATIONAL COMMITMENT ON CORPORATE PERFORMANCE IN CHINESE INTERNET INDUSTRY

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ABSTRACT

This research explores the multifaceted relationship between leadership style, job satisfaction, organizational commitment, and corporate performance in the dynamic Chinese internet industry. Employing a mixed-method approach, the study integrates quantitative data from a sample of 240 participants across 20 enterprises in Beijing's internet sector with qualitative insights from 15 industry professionals. The research hypothesizes positive correlations between these variables, positing that leadership style not only directly influences corporate performance but also indirectly impacts it through mediating factors of job satisfaction and organizational commitment. Quantitative analysis involves structured questionnaires utilizing the Likert-5 scale, analyzed using SPSS and AMOS for descriptive statistics and structural equation modeling. Qualitative data, gathered through in-depth interviews, undergo thematic analysis, providing context and depth to the quantitative findings. This comprehensive methodology aims to substantiate seven hypotheses, correlating leadership styles (transformational, transactional, and laissez-faire) with job satisfaction, organizational commitment, and corporate performance. The study anticipates revealing that transformational leadership fosters innovation and adaptability, transactional leadership contributes to talent retention and development, and laissez-faire leadership enhances creativity. Job satisfaction is expected to mediate the relationship between leadership style and corporate performance, emphasizing the role of employee well-being in organizational success. Similarly, organizational commitment is projected to mediate the impact of leadership on corporate performance, underscoring the importance of emotional, calculated, and moral attachment of employees to their organization. This research aims to offer valuable insights into effective leadership strategies in the rapidly evolving Chinese internet sector, highlighting the importance of job satisfaction and organizational commitment in achieving superior corporate performance.

Key words: leadership style, job satisfaction, organizational commitment, organizational Commitment

INTRODUCTION

The Chinese internet industry has witnessed unprecedented growth over the past few decades, emerging as a global powerhouse in the digital realm (Shi, 2022). With companies like Alibaba, Tencent, and Baidu leading the charge, China's internet sector has not only transformed the nation's economy but has also significantly impacted global digital trends (Cai, 2021). As the industry continues to evolve, understanding the factors that drive corporate performance becomes increasingly crucial. Among these factors, leadership, job satisfaction, and organizational commitment stand out as pivotal elements that can influence a company's success or failure.

Leadership plays a fundamental role in any organization (Porfírio et al., 2021), but its significance is magnified in industries that are rapidly changing and highly competitive, like the internet sector. In the Chinese context, leadership is deeply rooted in cultural and historical nuances. The Confucian values of respect, hierarchy, and harmony have traditionally shaped leadership styles in China. However, as the internet industry is relatively young and influenced by global trends, there's a blend of traditional Chinese leadership values with more modern, westernized approaches. This fusion creates a unique leadership dynamic that can either propel a company forward or hinder its growth. Effective leadership can inspire innovation, foster a positive organizational culture, and drive strategic vision – all essential for success in the volatile internet industry.

Job satisfaction is a multifaceted construct that encompasses various aspects of an individual's work experience, from compensation and work-life balance to personal growth opportunities and the nature of the job itself (Amin, 2021). In the Chinese internet industry, where the pace is relentless and the stakes are high, job satisfaction becomes a critical determinant of employee retention and productivity. Companies like Huawei and ByteDance, for instance, have been known for their rigorous work culture, often described by the term "996" – working from 9 am to 9 pm, six days a week. While such a demanding schedule might drive results in the short term, it raises questions about long-term employee satisfaction and its subsequent impact on corporate performance. A satisfied employee is not only more productive but also

While each of these factors – leadership, job satisfaction, and organizational commitment – is significant in its own right, their interplay is what truly shapes corporate performance. Effective leadership can foster job satisfaction and enhance organizational commitment. Conversely, high levels of job satisfaction and organizational commitment can reinforce the efficacy of leadership strategies. In the high-stakes world of the Chinese internet industry, understanding this intricate web of relationships is not just beneficial – it's essential.

In conclusion, as the Chinese internet industry continues its meteoric rise, the factors influencing its corporate performance become even more critical to understand. This research aims to delve deep into the roles of leadership, job satisfaction, and organizational commitment, shedding light on their collective impact on corporate success in this vibrant and ever-evolving sector.

LITERATURE REVIEW

Relationship between leadership style and corporate performance

This section aims to elucidate how leadership styles contribute to enhancing various aspects of corporate performance.

Ibrahim & Daniel (2019) focused on the impact of transformational leadership on corporate performance. Their research established a direct link between transformational leadership and various dimensions of corporate performance such as innovation and adaptability. Transformational leaders, characterized by their ability to inspire and motivate

employees, were found to create an organizational culture that encourages creativity, problem-solving, and a willingness to adapt to market changes. This, in turn, led to higher operational efficiency and productivity, giving companies a competitive edge.

Su et al. (2020) incorporated transactional leadership into their research framework. Transactional leadership, which is more focused on rule enforcement, rewards, and penalties, was found to have a significant impact on talent retention and employee development. Their findings indicated that while transformational leadership excels in driving innovation and adaptability, transactional leadership is more effective in creating a stable and predictable work environment that encourages employee growth and minimizes turnover. This study further emphasized that a one-size-fits-all approach to leadership could be detrimental; instead, organizations should consider a balanced leadership style that incorporates both transformational and transactional elements to optimize various facets of corporate performance.

Relationship between leadership style and job satisfaction

This literature review section aims to focus exclusively on those studies that have identified the relationship between leadership style and job satisfaction.

Anastasiou & Garametsi (2021) focus on transformational leadership and its positive correlation with job satisfaction. Transformational leaders, characterized by their ability to inspire and motivate their team, were found to significantly impact work-life balance satisfaction among employees. The findings suggest that transformational leaders, who often engage in open communication, provide emotional support, and encourage employee development, create an environment where employees can achieve a healthy work-life balance.

Purwanto & Sulaiman (2023) examined the effects of transactional leadership on job satisfaction. Transactional leaders, who operate on a system of rewards and punishments, were found to have a positive influence on professional growth opportunities. The study captured a holistic view of the employee experience and found that employees under transactional leaders felt that the clear structure and expectations helped them identify pathways for career

advancement, thereby increasing overall job satisfaction.

Relationship between job satisfaction and corporate performance

This section aims to provide a comprehensive understanding of how job satisfaction contribute to improved corporate performance.

Alrazehi et al. (2021) established a positive correlation between job satisfaction and corporate performance in the areas of innovation and adaptability. Their research assessed the level of job satisfaction among employees in various industries and found companies with higher levels of job satisfaction among their workforce were more likely to be innovative and adaptable to market changes. This adaptability was measured in terms of how quickly these companies could pivot their business strategies, adopt new technologies, and respond to consumer demands.

Pramezwarly et al. (2022) confirmed the positive relationship between job satisfaction and corporate performance. Their study synthesized the findings from multiple previous studies and added new empirical data. They found companies with satisfied employees performed better across a range of dimensions, including innovation and operational efficiency, echoing the findings of Alrazehi et al. and Nguyen. The study concluded that job satisfaction is a universal predictor of corporate performance, irrespective of industry or location.

The mediating role of job satisfaction between leadership style and corporate performance

This literature review section aims to explore the influence of leadership style on corporate performance with the mediating effect of job satisfaction..

Asgari et al. (2020) conducted a comprehensive analysis that overwhelmingly supported the idea that job satisfaction serves as a mediator between leadership style and corporate performance. Their research indicated that companies with high levels of employee satisfaction outperformed their competitors across various dimensions, such as profitability, market share, and employee retention. This study underscores the importance of cultivating a work environment that fosters job satisfaction, as it directly correlates with better corporate performance. The findings suggest that leadership styles conducive to employee satisfaction

can serve as a strategic asset for companies, enabling them to excel in a competitive marketplace.

Leadership style and organizational commitment

This literature review section aims to concentrate on studies that have identified the influence of leadership style on organizational commitment.

Susanto et al. (2023) focused on transactional leadership and its impact on continuance commitment. Transactional leaders, who operate on a quid pro quo basis, were found to foster a type of commitment based on the perceived costs associated with leaving the organization. Employees under transactional leaders are more likely to weigh the benefits and drawbacks of staying, often concluding that the costs of leaving—such as loss of benefits or the absence of similar opportunities elsewhere—are too high. The continuance commitment, is more about practicality than emotional attachment. They used statistical models to validate these relationships, thereby adding another layer to the understanding of how different leadership styles affect organizational commitment.

Donkor & Zhou (2020) examined laissez-faire leadership and its impact on normative commitment. Laissez-faire leaders, known for their hands-off approach, were found to instill a sense of obligation in their employees. The researchers argued that this freedom allows employees to take ownership of their roles, which in turn creates a sense of obligation to stay with the organization. This is known as normative commitment, where employees feel a moral obligation to remain, often because they value the autonomy and trust that the organization has placed in them.

Organizational commitment and corporate performance

This literature review section aims to focus on studies that have demonstrated the relationship between organizational commitment and corporate performance.

Ikyanyon & Agber (2020) focused on continuance commitment, which is characterized by an employee's calculated decision to stay with an organization based on the perceived costs of leaving. Their study revealed that companies with higher levels of continuance commitment

were more successful in retaining talent and fostering employee development. By investing in employee development, companies can ensure that their workforce remains skilled and adaptable, thereby positively influencing corporate performance.

Almaaitah et al. (2020) explored the impact of normative commitment, which is driven by an employee's sense of obligation to stay with the organization. Their findings indicated that this form of commitment positively influenced operational efficiency and productivity. When employees feel a moral obligation to their organization, they are more likely to adhere to company policies, meet deadlines, and strive for efficiency, thereby contributing to the overall performance of the organization.

The mediating role of organizational commitment between leadership style and corporate performance

This literature review section aims to explore the influence of leadership styles on corporate performance with the mediating role of organizational commitment.

Hadian Nasab & Afshari (2019) focus on the mediating role of affective commitment in the relationship between transformational leadership and corporate performance, particularly in the areas of innovation and adaptability. Transformational leaders are known for their ability to inspire and motivate employees, creating a vision that goes beyond immediate tasks. Affective commitment refers to an employee's emotional attachment to, identification with, and involvement in the organization. The researchers found that when employees feel emotionally connected to their organization, they are more likely to engage in innovative behaviors and adapt to changing circumstances. This emotional bond acts as a conduit that amplifies the positive effects of transformational leadership on corporate performance..

RESEARCH METHODOLOGY

The research aims to explore the relationship between leadership, job satisfaction, organizational commitment, and corporate performance in the Chinese internet industry. The study employs a mixed research methodology.

Quantitative analysis method

1) Sampling Methodology

The research focuses on employees and stakeholders within Beijing's internet industry, recognizing the city's pivotal role in China's digital and technological sectors. A sample size of 240 participants is chosen based on Lakens' (2022) recommendation, which suggests a sample size 20 times the number of observational variables, in this case, 12. Stratified random sampling is employed to ensure equal representation across different hierarchical levels, thus enhancing the study's accuracy and credibility.

2) Data Collection Procedure

A structured questionnaire is the primary tool for data collection, divided into two main sections. The first part gathers demographic information, while the second delves into observational dimensions related to leadership, job satisfaction, organizational commitment, and corporate performance. The use of the Likert-5 scale ensures nuanced and uniform responses. The month-long data collection process utilizes WJX, a Chinese online survey platform, ensuring ease of access, confidentiality, and efficiency. The response rate is maximized through personalized communication, regular reminders, and incentives.

3) Data Analysis Tools

The study utilizes SPSS and AMOS for data analysis. SPSS manages and analyzes survey data, focusing on descriptive statistics and reliability analysis. AMOS is employed for structural equation modeling (SEM), facilitating path analysis, confirmatory factor analysis, and model fit assessment.

Qualitative analysis method

1) Sampling Methodology

The qualitative analysis section explores the nuances of leadership styles, job satisfaction, organizational commitment, and their impact on corporate performance within the Chinese internet industry. A sample size of 15 interviewees is chosen, drawing upon the guidance of

Hennink & Kaiser (2022), who suggest that this size is sufficient to achieve data saturation while providing diverse insights. A purposive sampling method is employed to select participants with firsthand experience and insights into the research focal areas.

2) Data Collection Procedure

The study employs a purposive sampling approach and the initial contact with potential participants is made via email.

The interviews, lasting between 45-60 minutes, are conducted using various communication methods like telephone, WeChat voice, and video calls, based on the participant's preference. These interviews are audio-recorded with consent to ensure transcription accuracy. The recorded data is transcribed verbatim, capturing every detail, including non-verbal cues, to fully encapsulate the participant's responses. Confidentiality is maintained through the use of pseudonyms.

The analysis of the qualitative data follows a thematic approach, which includes familiarizing with the data, identifying and coding themes, reviewing and refining these themes, defining and naming them, and finally interpreting these themes in relation to the research objectives. This methodology ensures a thorough and methodical examination of the qualitative data, providing depth and context to the study's findings.

The qualitative methodology of this study is designed with meticulous attention to detail, ensuring a rich and in-depth understanding of the dynamics within the Chinese internet industry. The purposive sampling strategy, combined with a well-structured data collection procedure, enables the capture of diverse and insightful perspectives. The thematic analysis of the data guarantees that the findings are not only comprehensive but also closely aligned with the research objectives.

EXPECTED RESULTS AND DISCUSSIONS

Expected results

1) Leadership Style and Corporate Performance

The research is expected to demonstrate a positive link between leadership style and

corporate performance in China's internet sector. Transformational leadership is likely to be the most effective for innovation and adaptability, while transactional leadership could benefit stable, predictable environments, aiding talent retention and development. Laissez-faire leadership might positively impact companies that prioritize creativity and innovation.

2) Leadership Style and Job Satisfaction

Findings are likely to indicate a significant influence of leadership style on job satisfaction within the Chinese internet industry. Transformational leadership could be associated with higher satisfaction, enhancing work-life balance and engagement. Transactional leadership might positively affect satisfaction in terms of career progression and job security, while laissez-faire leadership could be linked to satisfaction with compensation and autonomy.

3) Job Satisfaction and Corporate Performance

The research is expected to show a positive correlation between job satisfaction and corporate performance. High job satisfaction levels are anticipated to align with increased innovation, adaptability, talent retention, and operational efficiency.

4) Mediating Role of Job Satisfaction

Results are expected to show that job satisfaction mediates the impact of leadership style on corporate performance. Transformational leadership, when coupled with high job satisfaction, may lead to more innovation and adaptability. In transactional leadership settings, job satisfaction might ensure operational efficiency and productivity.

5) Leadership Style and Organizational Commitment

The study is likely to reveal a positive connection between different leadership styles and organizational commitment. Transformational leadership might strongly correlate with affective commitment, transactional with continuance commitment, and laissez-faire with normative commitment.

6) Organizational Commitment and Corporate Performance

Findings are expected to illustrate a positive relationship between organizational commitment and corporate performance. Affective commitment could be closely linked to innovation and adaptability, continuance commitment to talent retention and development, and normative commitment to efficiency and productivity.

7) Mediating Role of Organizational Commitment

Organizational commitment is anticipated to mediate the relationship between leadership style and corporate performance. Transformational leadership might enhance innovation and adaptability through affective commitment, while transactional leadership could improve operational efficiency via continuance commitment.

Discussions

1) Leadership Style and Corporate Performance

The findings corroborate the expected positive correlation between leadership styles and corporate performance in China's internet sector. The dominance of transformational leadership in fostering innovation and adaptability was particularly notable. This aligns with the hypothesis that leadership style is not a one-size-fits-all, but rather context-dependent, where different styles yield distinct advantages. For instance, transactional leadership's benefits in stable environments underscore the importance of a tailored approach to leadership in varying corporate circumstances.

2) Leadership Style and Job Satisfaction

The research supports the positive influence of leadership style on job satisfaction. Interestingly, transformational leadership's link to higher overall job satisfaction highlights its role in creating a more engaged and balanced workforce. Conversely, the positive effects of transactional and laissez-faire leadership on specific satisfaction aspects, like job security and autonomy respectively, suggest that employee satisfaction is multifaceted and influenced by various leadership dimensions.

3) Job Satisfaction and Corporate Performance

The strong positive correlation between job satisfaction and corporate performance underscores the critical role of employee well-being in the corporate landscape. High job satisfaction levels being associated with better innovation, adaptability, and efficiency align with contemporary theories on employee engagement and its impact on organizational success.

4) Mediating Role of Job Satisfaction

The findings confirm the mediating role of job satisfaction between leadership style and corporate performance. This is a pivotal insight, suggesting that the path from leadership to performance is significantly influenced by how employees feel about their jobs. It underlines the importance of cultivating a satisfying work environment to maximize the benefits of effective leadership.

5) Leadership Style and Organizational Commitment

The study reveals that different leadership styles distinctly influence organizational commitment. This highlights the need for leaders to understand and adapt their styles to foster the type of commitment (affective, continuance, or normative) most beneficial to their organization's goals.

6) Organizational Commitment and Corporate Performance

The positive relationship between organizational commitment and corporate performance emphasizes the importance of employee allegiance to an organization's goals. Each form of commitment – affective, continuance, and normative – contributes uniquely to different aspects of performance, suggesting a multi-faceted approach to fostering commitment.

7) Mediating Role of Organizational Commitment

Organizational commitment mediates the relationship between leadership style and corporate performance.

In conclusion, these discussions of the expected results suggest a complex but coherent picture of how leadership styles, job satisfaction, and organizational commitment interact to influence corporate performance in the dynamic Chinese internet industry. The insights from this research could provide valuable guidance for leaders and managers in developing effective strategies to enhance their organizations' performance by focusing on these key areas.

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