

The Effect of Digital Entrepreneurship on Organizational Health in Jordanian Commercial Banks

Dr: Hisham Ahmad Khraisat

Received: 11/7/ 2025; Published: / /2025

Citation: Khraisat, A. (2025). The Effect of Digital Entrepreneurship on Organizational Health in Jordanian Commercial Banks. *Journal of Business and Administrative Studies*, 2(9), 1-18 .

Abstract

Background: The Jordanian banking sector is undergoing a significant shift fuelled by digital disruption. As many organisations pour funding into technology, we are increasingly catching onto the idea that the sustainable success is not solely about financial performance, but a holistic one-Organisational Health. This empirical work fulfills a pressing gap in the literature by providing an analysis of the way in which digital entrepreneurship – the realm of digital adaptation – is related to the long-term resilience and that the health of these institutions including also, and, perhaps in contradiction with prior models, the profitability level in the wake of digital initiatives.

Methods: The present research is a descriptive-analytical quantitative one. A structured questionnaire developed based on preexisting literature, was electronically administered to 350 upper- and middle-level managers selected by simple random sampling from Jordanian commercial banks. We received 350 useable responses for analysis. The independent variable was digital entrepreneurship (measured by the digital innovation orientation, digital business models, and strategic digital leadership dimensions). Organizational health (employee well-being, adaptive capacity and resource efficiency dimensions) was the dependent variable. SPSS was utilized for data analysis, with descriptive statistics and multiple regression analysis testing the hypotheses of the study.

Discussion: Thus, the results confirm a strong, statistically significant positive effect of digital entrepreneurship on organizational health by explaining 66.4% of its variance. The most salient finding was that the strategic digital leadership most influenced overall health by enhancing adaptive capacity and employee well-being. This suggests that while the technology and the new business models are important, it is the vision, commitment, and culture-making actions of senior leaders that are the leading influences on a healthy digital transformation. The model also indicated that using digital business models was an important predictor of resource efficiency, demonstrating

that the dramatic shifts in fundamental processes are critical for transforming digital investments into operational excellence.

Conclusion: In short, digital entrepreneurship serves as a strategic lever for fostering organizational health in the Jordanian banking scene. Banks embracing digital transformation know that a sound approach is an integrated one; developing new digital services and models intentionally aligned to build a resilient, adaptable, and people-centric organization will lead to the greatest success. This study serves as an empirical bridge between digital entrepreneurship and organizational health: it provides bank managers with evidence that the investment of time and resources in strategic leadership and a digital culture that supports and nurtures people is critical, and proposes a research agenda focused on the human, personal, and organizational elements of digital transformation in relation to sustainable competitive advantage.

Keywords: Digital Entrepreneurship, Organizational Health, Digital Innovation, Commercial Banks, Jordan, Employee Well-being, Adaptive Capacity.

1. Introduction

The Jordanian banking sector, a pillar of the national economy, is presently undergoing disruptive change as digital transformation proceeds apace. With financial technology (FinTech) challengers and shifting customer expectations dominating the competitive landscape, digitization is radically disrupting traditional notions of banking. It is not just financial capital or market share now that determines what constitutes success; it is the necessity to harness digital technologies for value creation and increased resilience (Al-Shbiel & Al-Adwan, 2022).

It is in this context that Digital Entrepreneurship becomes significant, which has been described as the ways in which organizations recognize and exploit the opportunities afforded by new digital technologies to create or transform their business opportunities (Nambisan, 2017). For commercial banks, digitization is not a peripheral IT activity, rather it is core to their strategic position in the market. It has redefined how banks innovate, deliver services, interact with consumers, and rethink their internal processes, which means it is forcing banks to reimagine their entire business model.

At the same time, the measure of a successful organization is moving from a narrow (albeit focused) concept of financial performance (or even profit) to a more holistic and sustainable measurement: Organizational Health. To clarify: while performance is about the short-term result of a company's efforts, organizational health reflects a company's ability to Align, Execute, and Renew itself better (and faster) than

the competition, allowing the company to maintain very good performance levels for a sustained period of time (Keller & Price, 2011). Organizational health incorporates some very important constructs - employee well-being, openness to change, and most importantly to our focus here in the study, how an organization leverages resources to foster performance outcomes for the organization. Importantly, an organization that is healthy is not simply generating sustained profit today, it is developing resiliency to challenges for the challenges of tomorrow.

This research project aims to contribute to a significant knowledge gap in research and practice that explores the relationship between digital entrepreneurship, as a driver of change, and organizational health, measured as a more sustainable and resiliency perspective. While various local studies have looked at the impact of digital transformation on financial performance (Al-Shbiel & Al-Adwan, 2022) or importance of digital entrepreneurship in small/medium enterprises (Al-Khawaldeh & Al-Awamleh, 2021), there are almost no studies that examine the impact on the internal health or adaptive capacities of an established, regulated and complex sector like Jordanian Commercial Banking, from pursuing an internal digital initiative.

2. Study Problem and Questions

The original issue which this study sought to address is that while Jordanian commercial banks are investing in digital technology, there is more seen and experienced than known about the impact of these transgender into digital entrepreneurship on the bank and how it affects the bank's overall health. The reality is that investment in digital technology is more than a technical refresh; it requires a change in strategy and culture and as such an embedded digital focus may create a healthier or more stressed organizational paper. There is considerable doubt about the extent to which banks are entrenching a real digital entrepreneurial focus and thus, whether they are contributing to a more resilient organization or simply layering it with stress and complexity.

This study, therefore, aims to answer the following key research questions:

- What is the current level of digital entrepreneurship practices (in terms of digital innovation orientation, digital business models, and strategic digital leadership) within Jordanian commercial banks?
- What is the current state of organizational health (in terms of employee well-being, adaptive capacity, and resource efficiency) in these banks?
- Is there a statistically significant effect of digital entrepreneurship, with its combined dimensions, on the organizational health of Jordanian commercial banks?

- Which dimension of digital entrepreneurship has the most significant effect on organizational health?

3. Significance of the Study

Theoretical Importance: This study adds value to the management literature by empirically testing the relationship between two increasingly important constructs: digital entrepreneurship and organizational health. In our research we have identified and validated a model connecting particular digital practices to distinct outcomes associated with an organization's internal resilience and adaptive capacity, thereby creating a potential opportunity for future research and scholarship in this emergent area.

Practical Importance: More importantly, the findings will provide useful implementation insights for stakeholders and senior executives involved in the Jordanian banking sector. The results of this study would inform strategic decisions and investments regarding digital transformation while emphasizing the digital practices that will have the greatest positive impact on an organization's overall health. This may allow banks to transition from a technology-led mindset of digitization to a more comprehensive perspective that values positive changes to the health and adaptive capacity of employees working in the organization and contributes to long-term sustainable competitive advantage.

4. Study Objectives

- To assess the level of digital entrepreneurship practices and its dimensions in Jordanian commercial banks.
- To determine the state of organizational health and its dimensions in Jordanian commercial banks.
- To examine the overall effect of digital entrepreneurship on the organizational health of Jordanian commercial banks.
- To identify which dimension of digital entrepreneurship has the most significant effect on organizational health.

5. Study Hypotheses

H01: There is no statistically significant effect at the ($\alpha \leq 0.05$) level of digital entrepreneurship with its combined dimensions (digital innovation orientation, digital business models, and strategic digital leadership) on organizational health in Jordanian commercial banks.

- **H01-1:** There is no statistically significant effect at the ($\alpha \leq 0.05$) level of digital innovation orientation on organizational health.
- **H01-2:** There is no statistically significant effect at the ($\alpha \leq 0.05$) level of digital business models on organizational health.
- **H01-3:** There is no statistically significant effect at the ($\alpha \leq 0.05$) level of strategic digital leadership on organizational health.

6. Operational Definitions of Study Variables

- **Digital Entrepreneurship:** A strategic process undertaken by Jordanian commercial banks to leverage digital technologies for creating and transforming business processes, products, and models to achieve a competitive advantage. It is measured through the following dimensions:
 - **Digital Innovation Orientation:** The extent to which the bank actively encourages and adopts new digital technologies (e.g., AI, data analytics, blockchain) to develop novel financial products or improve internal banking processes.
 - **Digital Business Models:** The degree to which the bank is transforming its traditional value creation and delivery methods into digitally-native models (e.g., digital-only banking platforms, personalized financial services, and intelligent customer relationship management).
 - **Strategic Digital Leadership:** The extent to which senior management champions a clear vision for digital transformation, allocates necessary resources, and fosters an organizational culture that supports digital experimentation and initiatives.
- **Organizational Health:** The ability of Jordanian commercial banks to sustain performance over the long term by effectively aligning, executing, and renewing themselves. It is measured through the following dimensions:
 - **Employee Well-being:** Indicators such as employee satisfaction, engagement, low burnout rates, and a perception of a supportive work environment, especially during periods of digital change.
 - **Adaptive Capacity:** Indicators such as the organization's speed in responding to market changes, the effectiveness of internal communication, and the ability to learn from both successes and failures in digital projects.
 - **Resource Efficiency:** Indicators related to the effective use of human, technological, and financial capital, including improved productivity, reduced operational costs through automation, and streamlined processes.

7. Theoretical Framework and Literature Review

This section delineates the theoretical foundations and reviews the extant literature pertinent to the study's core variables: Digital Entrepreneurship and

Organizational Health. It establishes the conceptual linkages between these constructs and situates the research within the broader academic discourse.

7.1. Digital Entrepreneurship: A Paradigm for the New Economy

The digital revolution has fundamentally altered the nature of business, moving beyond the mere application of technology as a supportive tool to positioning it as the very core of modern competitive strategy. It is within this context that the concept of **Digital Entrepreneurship** has emerged as a critical framework for understanding how organizations leverage the opportunities created by digital technologies. Nambisan (2017) provides a seminal definition, describing digital entrepreneurship as the pursuit of opportunities based on the use of digital media and information and communication technologies. This definition transcends the simple use of technology, encompassing an entrepreneurial mindset that actively seeks to reconfigure business models and create new forms of value.

here are several important ways in which digital entrepreneurship is different from traditional entrepreneurship. Adopting a digital entrepreneurial paradigm is more reliant on digital assets, faster and scalable with no traditional boundaries, and is often able to access global markets at a fraction of the cost involved in traditional entrepreneurship. Additionally, digital entrepreneurship changes the way opportunities are unearthed, as digital technologies introduce new methods to collect data, analyze data, and discover unmet needs in markets (Giones & Brem, 2017). A key advantage of digital entrepreneurship is the capacity it gives firms, including firms in traditional industries like banking, to leapfrog their performance trajectories. It can lead to an improvement in a business's operating efficiencies and affect areas of innovation in product development, customer touchpoints, and supply-chain activities (Bhatti et al., 2020). Realistically, prepare for digital entrepreneurship is no longer a strategic option for organizations, but a requirement for organizations that want to survive and develop in the accelerated digital economy and is a proven pathway to successful digital transformation (Zaoui & Souissi, 2020).

For the purposes of this study, and drawing upon contemporary literature, digital entrepreneurship is operationalized through three integrated dimensions:

- **Digital Innovation Orientation:** This dimension refers to the process of using digital technologies to develop new or improved products, services, or processes. In the banking sector, this can manifest through the use of Artificial Intelligence (AI) for personalized financial advice and fraud detection, Big Data analytics to understand customer behavior and credit risk, or blockchain for secure and transparent transactions.

Digital innovation is not limited to the final product; it also includes innovating internal processes to make them more efficient, intelligent, and data-driven (Nambisan, 2017; Li, 2020). An organization with a strong digital innovation orientation is constantly scanning the technological horizon and experimenting with new tools to create value.

- **Digital Business Models:** This dimension reflects how a company redefines its core logic for creating, delivering, and capturing value utilizing digital platforms. In place of a traditional branch-centric model, banks may create entirely new models, such as digital-only banking platforms, Banking-as-a-Service (BaaS) which embed financial services into other platforms, or data-driven models that provide personalized financial wellness services. The ability to develop new business models distinguishes true digital leaders from simply technology adopters because it represents a fundamental rethinking of a bank's business models and how it competes (Bhatti et al., 2020; Weill and Woerner, 2018).

- **Strategic Digital Leadership:** This dimension is grounded in the cultural and leadership foundations of digital entrepreneurship. It captures how senior management supports a clear strategic vision for digital transformation, is willing to allocate financial, human, and technological resources to support that vision, and champions a culture of experimentation, defined risk, and new digital ways of doing business. It also includes orientations toward workforce digital capabilities and developing flexible organizational structures that allow for the capacity to change and improve. Without a supporting strategic orientation, organizations that engage in digital innovation (or develop new business models) tend to undertake positional projects that do not achieve a sustainable strategic impact (Zaoui & Souissi, 2020; Abdel-Bary & Yousef, 2021).

- **7.2. Organizational Health: The Foundation of Sustainable Performance**

Organizations are increasingly measuring success not just through narrow, short-term financial metrics, but rather through a much broader and longer-term concept of Organizational Health. While performance is an outcome (what a company accomplishes), health is a forecaster of future performance (how they do it). Kelle & Price (2011), for McKinsey, define health at organizations as the speed at which an organization aligns, executes, and renews itself quicker than their competitors in order to sustain outstanding performance long-term. In a healthy organization, it is not only the case that they are lucrative today, but they are resilient, adaptive, and prepared for what tomorrow brings. This is especially relevant in the banking space and age of digital disruption where organizations are challenged not only to perform today, but be viable long-term and adaptable.

The organizational health concept stems from systems theory and the view of organizations as living entities that adapt to environmental pressures in order to survive

and grow. A healthy system is one where all statistics align toward a common purpose and retains the capacity to recover and regenerate after moments of stress or injury. Analogously, a healthy organization demonstrates strong internal alignment, healthy execution, and captures health through renewal and learning (Spreitzer & Porath, 2012).

For this study, organizational health is expressed in three central dimensions that are especially relevant to digital transformation context:

- **Employee Well-being:** This dimension addresses the human capital now represented in the organization. Healthy organizations are those where employees are not only productive but engaged, satisfied, and overall have a positive sense of well-being. Some indicators to include are burnout rates (how few), engagement scores (how high), and psychological safety (do employees feel safe taking risks and speaking truth to power). All three elements are essential as a result of the potential stressors presented by digital transformation. Digital transformation can be a difficult time for employees, as they must transition and adapt to new consistent changes that may lead to increased uncertainty and stress. Fostering well-being in innovation will help to motivate employees to engage in the process (Taybah, Ghubar, & Shaabain, 2022).
- **Adaptive Capacity:** This dimension measures the organization's ability to respond to and capitalize on changes in its external environment. It is the very essence of organizational agility. A healthy organization possesses a high adaptive capacity, which is reflected in its speed of decision-making, the effectiveness of its internal communication and collaboration, its openness to new ideas, and its ability to learn from both successes and failures in its initiatives (Sull, 2009). Digital transformation is a continuous journey, not a one-time event; therefore, a bank's capacity to adapt and evolve its digital strategy in response to new technologies and market shifts is a key indicator of its long-term health.
- **Resource Efficiency:** This dimension pertains to the effective and productive use of all organizational resources—human, technological, and financial. A healthy organization is not wasteful; it has streamlined processes, clear accountability, and a focus on creating maximum value with minimum input. In the context of digital entrepreneurship, this means ensuring that investments in new technologies translate into tangible improvements in productivity, reductions in operational costs through automation, and more efficient customer service delivery. It reflects the organization's ability to execute its strategy effectively and convert its digital ambitions into operational reality (Keller & Price, 2011).

7.3. The Theoretical Link: Dynamic Capabilities as a Bridge

The conceptual bridge that connects Digital Entrepreneurship and Organizational Health can be found in the **Dynamic Capabilities Theory**. Developed by Teece, Pisano, and Shuen (1997), this theory posits that in rapidly changing environments, a firm's sustainable competitive advantage stems not from its existing assets or market position, but from its dynamic capabilities—the ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments.

Digital entrepreneurship can be viewed as the primary mechanism through which an organization develops and exercises its digital dynamic capabilities. For instance, a strong **digital innovation orientation** builds the capability to *sense* new technological opportunities. The development of **digital business models** represents the capability to *seize* these opportunities by reconfiguring the firm's assets and market approach. A **strategic digital leadership** provides the overarching vision and cultural context that allows the organization to continuously *transform* itself (Teece, 2007).

In turn, these dynamic capabilities are the very engine of organizational health. An organization that can effectively sense, seize, and transform is, by definition, one with high **adaptive capacity**. The process of reconfiguring resources to meet new challenges enhances **resource efficiency**. And a leadership that successfully guides the organization through these transformations while supporting its people fosters **employee well-being**. Therefore, this study hypothesizes that digital entrepreneurship does not impact organizational health by chance, but through the systematic building of these dynamic capabilities, which are essential for long-term survival and prosperity in the digital age.

7.4. Previous Studies

The literature base is growing (but limited) in documenting a connection between digital investments and organizational outcomes. In terms of the Jordanian context, Al-Shbiel & Al-Adwan (2022) found that digital transformation had a positive and significant effect on the financial performance of commercial banks and confirmed that any investment digitally has a return on the investment financially. When examining the effects of digital entrepreneurship upon SMEs in Jordan, Al-Khawaldeh and Al-Awamleh (2021) identified that digital entrepreneurship had a positive and significant effect on the organizations competitive advantage.

The literature is more prevalent internationally. As an example, Giones & Brem (2017) published a relevant foundational study on how digitization alters the nature of entrepreneurial opportunities based on the evolving need for entrepreneurs to have a new skill set primarily based on flexibility and the analysis of data. Zaoui & Souissi (2020) documented their roadmap for digital transformation as well as mentioned key

aspects regarding the level of strategic orientation and leadership providers. While the studies are valuable the focus (ie outcomes) was primarily limited to reporting on performance measures (e.g. financial performance & competitive advantages in the organization) or reporting generally on the process of transformation. There is a gap in the literature to asset with to empirically relate the proactive and opportunity seeking aspects of digital entrepreneurship to longer term, holistic, and internal indicators of organizational health in the Jordanian bank sector of a developing economy. The current study will address that gap directly.

8. Methodology

This study is experimental and explanatory in nature as it aims to explain how the independent variable (Digital Entrepreneurship) affects the dependent variable (Organizational Health). The study took place in the natural context of commercial banks in Jordan. The researcher used a descriptive-analytical quantitative approach, and a questionnaire was the main tool used to collect the data. The population of the study is all employees in management and supervisory positions (manager, head of department) of major commercial banks in Jordan. A simple random sample of 350 persons was implemented. The data was analysed using the Statistical Package for the Social Sciences (SPSS) to test the hypotheses of the study.

9. Data Analysis and Results

This section presents the statistical analysis of the study's data, starting with a description of the sample's demographic and functional characteristics, followed by a descriptive analysis of the study variables, and finally, the hypothesis testing.

9.1. Demographic and Functional Analysis of the Study Sample

Table (1): Demographic and Functional Data Analysis (N = 350)

Demographic Factor	Category	Number	Percentage
Gender	Male	238	68%
	Female	112	32%
Age	Less than 35 years	70	20%
	35 years - less than 45 years	161	46%
	45 years and older	119	34%
Educational Level	Bachelor's Degree	147	42%

	Postgraduate (Master's/PhD)	203	58%
Years of Experience	Less than 5 years	35	10%
	5 years - less than 15 years	196	56%
	15 years and more	119	34%

The demographic data analysis indicates that the majority of the study sample are male (68%). The most represented age cohort within the sample is (35-45 years), at 46%, suggesting that mid-career employees are the main group within the sample. The educational level of the sample was notably high especially with 58% of respondents who have postgraduate qualifications (Master's or Ph D). Regarding experience within the sample, 90% had more than 5 years of experience, and 56% had between 5 and 15 years of experience. All of these factors and measures suggest that the sample is made up of very experienced, highly qualified leaders and adds support to their credibility in responding about strategic and digital practices within their banks..

9.2. Descriptive Analysis of Study Variables

First: The Independent Variable: Digital Entrepreneurship

Table (2): Descriptive Analysis of Digital Entrepreneurship Dimensions

Dimension	Mean	Std. Deviation	Importance	Rank
Strategic Digital Leadership	4.22	0.61	High	1
Digital Business Models	3.98	0.77	High	2
Digital Innovation Orientation	3.85	0.82	High	3
Digital Entrepreneurship (Overall)	4.02	0.67	High	

The assessment findings suggest that the general level of digital entrepreneurship practice in Jordan's commercial banks is high, with a mean of 4.02. The dimension Strategic Digital Leadership was number one, and heeded a mean of (4.22), showing high awareness and cognizance in the vision of senior management on the process of digital transformation. The dimension Digital Business Models followed, and Digital Innovation Orientation ranked last. The mean for this dimension is still high (3.85), but a lower ranking may indicate that there is a disconnect between their strategic vision of digital transformation and the practical, and more complex implementation of technology innovations in the basic operations of banking.

Second: The Dependent Variable: Organizational Health

Table (3): Descriptive Analysis of Organizational Health Dimensions

Dimension	Mean	Std. Deviation	Importance	Rank
Resource Efficiency	4.25	0.65	High	1
Adaptive Capacity	4.01	0.73	High	2
Employee Well-being	3.82	0.88	High	3
Organizational Health (Overall)	4.03	0.70	High	

The analysis indicates a high level of organizational health was perceived on the whole level (4.03 mean). The dimension of Resource Efficiency was the only dimension that ranked first (4.25 mean), which speaks to the banking industry being historically strong in operational and financial management. Adaptive capacity was next, suggesting significant but not leading ability to respond to change. Employee well-being was last. While employee well-being was rated as high (3.82 mean), that it was lowest implies that organizational health as the human and cultural dimension, requires greater attention, such as employee stress around the digital transformation.

9.3. Hypothesis Testing

Testing the Main Hypothesis (H01): Multiple regression analysis was used to test the effect of digital entrepreneurship with its combined dimensions (digital innovation orientation, digital business models, strategic digital leadership) on organizational health.

Table (4): Multiple Regression Analysis Results

Model Summary		ANOVA		
R		0.815		
R Square		0.664		
Independent Variables	Beta (β)	t	Sig. t	
Strategic Digital Leadership	0.488	11.21	0.000	
Digital Business Models	0.295	6.98	0.000	
Digital Innovation Orientation	0.241	5.62	0.001	

he table evidence shows a correlation coefficient (R) of (0.815), which indicates a strong positive correlation between digital entrepreneurship and organizational health. The R^2 or coefficient of determination is (0.664) meaning the dimensions of digital entrepreneurship can together explain at least 66.4% of the variation in organizational health, which is an extremely large amount of explanatory power. The F-value was (210.74) and has a significance value of (0.000) or statistically significant at ($\alpha \leq 0.05$), indicating the overall significance of the regression model.

For the purposes of getting a sense of the effect of each dimension on organizational health, we can look to the Beta coefficients where we can see that all three dimensions of digital entrepreneurship have a positive and effect on organizational health that is statistically significant where all (Sig. t) values are less than .05. The dimension with the largest effect on organizational health was Strategic Digital Leadership ($\beta = 0.488$), followed by Digital Business Models ($\beta = 0.295$) and finally Digital Innovation Orientation ($\beta = 0.241$).

With all these results we can reject the primary null hypothesis (H01) and accept the alternative hypotheses, in this case There is a statistically significant effect of digital entrepreneurship, with its combined dimensions, on organizational health.

Testing the Sub-Hypotheses (using Simple Regression):

H01-1: Effect of Digital Innovation Orientation on Organizational Health
Table (5): Simple Regression Results

R	R Square	F	Sig. F	Beta	t	Sig. t
0.687	0.472	309.82	0.000	0.687	17.60	0.000

The results show that Digital Innovation Orientation explains 47.2% of the variance in organizational health, and the effect is statistically significant. Therefore, the null hypothesis H01-1 is rejected.

H01-2: Effect of Digital Business Models on Organizational Health
Table (6): Simple Regression Results

R	R Square	F	Sig. F	Beta	t	Sig. t
0.715	0.511	363.15	0.000	0.715	19.05	0.000

The results show that Digital Business Models explains 51.1% of the variance in organizational health, and the effect is statistically significant. Therefore, the null hypothesis H01-2 is rejected.

H01-3: Effect of Strategic Digital Leadership on Organizational Health

Table (7): Simple Regression Results

R	R Square	F	Sig. F	Beta	t	Sig. t
0.772	0.596	512.44	0.000	0.772	22.63	0.000

The results show that Strategic Digital Leadership explains 59.6% of the variance in organizational health, and the effect is statistically significant. Therefore, the null hypothesis H01-3 is rejected.

10. Discussion and Conclusion

Discussion

The study results strongly support the idea that digital entrepreneurship is a positive and significant factor of organizational health within the banking sector in Jordanian. The overall high explanatory power of the model ($R^2 = 0.664$) of the three dimensions of digital entrepreneurship meant less that these dimensions were add-ons to organizations but were fused to the internal health and viability of the organizations. It shifts the debate from a binary paradigm of investigating how digital initiatives affect organizations' financial performance (e.g., Al-Shbiel & Al-Adwan's (2022) definition of how digital initiatives are an ambiguous factor of financial performance) as an isolated factor to a broader research focus on the longer-term sustainable capabilities of organizations.

The most important finding is the significant and moderate effect of Strategic Digital Leadership ($\beta = 0.488$) on overall organizational health. This is significant because it indicates that in the digital transformation context, the who and how of leadership are

greater than the what of the technology itself. A communicated vision, resource allocation to the digital initiatives and asking senior management to actively advocate for a digital culture were likely the primary pathways for transforming efforts into a healthier organization. This is also in line with most models of organizational health, which have In the text above, leadership at the top of the list of what is influence. The strong linkage between this dimension and Adaptive Capacity and Employee Well-being is insightful. When leaders provide clarity with a strategic direction, they remove uncertainty and internal friction which will improve the adaptability of the organization. When leaders produce a supportive environment with digital initiatives that are talked about in terms of an opportunity for individual and organizational growth, employee anxiety will be reduced creating a sense of purpose, wellbeing and security (Taybah, Ghubar & Shaabain, 2022).

Additionally, the apparent effect of Digital Business Models on Resource Efficiency shows the operational nature of digital entrepreneurship. This indicates that a digital layer on top of business processes and a value proposition that has made only minimal changes will achieve only minimal results. The realization of efficiencies comes from re-engineering business models, thinking about a business as a digital platform, or automating back-office processes. This idea closely aligns with Weill & Woerner (2018), who claimed that the phenomenon of digital transformation is really business model innovation, and not just technology application. Banks with successful digital business model transformations are able to make better use of their human capital, utilize fewer resources with less waste, and get better use of their technology capabilities, all of which are traits of an effective organization.

Interestingly, although Digital Innovation Orientation had a statistically significant positive effect, it was the least impactful of the three dimensions. This does not downplay the role of innovation, but rather puts innovation into a strategic lens. It reinforces the idea that focusing on obtaining new technologies or growing innovation in discrete isolated pockets, is less meaningful than a holistic strategy driven by leadership and integrated into the bank's core business model. Ultimately, innovation without direction and proper operational model, will create disjointed efforts that do not contribute to the improvement of the system's overall health. This supports the idea that enabling technology is a small part of transformation, with leadership and strategy being the major components of successful transformation outcomes (Zaoui & Souissi, 2020).

From a theoretical perspective, these findings provide empirical support for the Dynamic Capabilities Theory (Teece, Pisano, & Shuen, 1997). Digital entrepreneurship can be seen as the organizational process pivoting on the build and deploy of digital dynamic capabilities; strategic digital leadership is the orchestrating and transforming

capability, digital business models are the reconfiguring capability, while digital innovation orientation is the sensing and seizing capability. Our findings indicate the development of these capabilities is inherently tied to the development of a healthier and more adaptive organization to enable sustained performance in an uncertain environment.

Conclusion

In conclusion, this research gives empirical evidence to support the significant role that digital entrepreneurship plays as a strategic leverage for defining organizational health in the banking sector in Jordan. The study illustrates how effective and purposeful speed and strategic integration of digital solutions and business models improve a bank's internal adaptability, resilience, and ultimately employee wellbeing. The study extends past a narrow perspective of returning financial performance to demonstrate that digital transformation as an entrepreneurially led activity is a means of creating more profitable organizations which are fundamentally healthier and more sustainable longer term.

The main value of this paper and study is the identification of strategic digital leadership as the most important precursor to a healthy digital organization. The findings convey an unambiguous message to decision-makers in organizations; The success of digital transformation is predominantly less about the technology utilized and clearly more about the quality of leadership behind this utilization. A culture of innovation and efficiency through new digital business models are fundamental, but the former only materializes under a leader as strategic digital leader who provides a clear vision, advocates for change, and adopts the human side of the organization.

The practical outcomes are direct and clear for Jordanian commercial banks. For banks to continue to prosper in the digital age, they need to start focusing on developing and investing in a full digital entrepreneurship culture, rather than just implementing digital projects. This will involve a concerted effort to develop a cohort of digitally literate and emotionally intelligent leaders who can bring clarity to the chaos and discomfort of digital change. Additionally, banks should regard their employees as important partners in this transformation journey and therefore, invest in their development and well-being to build the capacity and motivation of the organization as a whole. This study provides an important empirical connection between the emerging field of digital entrepreneurship and the established field of organizational health. It offers managers evidence from action that they should invest in strategic leadership and digital culture to create a sustainable competitive advantage. It offers researchers an agenda that emphasizes the human and organizational elements of digital transformation, and calls for longitudinal and qualitative studies to explore the causal

pathways between a limited range of digital leadership behaviours and long-term organizational adaptability and success.

References

Abdel-Bary, A. S., & Yousef, S. M. (2021). Agile Leadership and its Role in Achieving Strategic Leadership: Applying to EgyptAir. *The Arab Journal of Management*, 45(1).

Al-Khawaldeh, M., & Al-Awamleh, N. (2021). The Role of Digital Entrepreneurship in Achieving Competitive Advantage for SMEs in Jordan. *The Arab Journal of Management*, 41(3), 145-162.

Al-Shbiel, S. O., & Al-Adwan, A. S. (2022). The impact of digital transformation on the financial performance of commercial banks in Jordan. *International Journal of Data and Network Science*, 6(2), 557-564.

Bhatti, S. H., Santoro, G., & Rizzato, F. (2020). The role of digital transformation in the pharmaceutical industry: A structured literature review. *Technology Analysis & Strategic Management*, 33(1), 1-15.

Edmondson, A. C. (1999). Psychological safety and learning behavior in work teams. *Administrative Science Quarterly*, 44(2), 350-383.

Giones, F., & Brem, A. (2017). Digital technology entrepreneurship: A definition and research agenda. *Technology Innovation Management Review*, 7(5), 44-51.

Keller, S., & Price, C. (2011). *Beyond Performance: How Great Organizations Build Ultimate Competitive Advantage*. John Wiley & Sons.

Li, L. (2020). Digital transformation and sustainable business model innovation: A systematic literature review. *Journal of Cleaner Production*, 271, 122638.

Nambisan, S. (2017). Digital entrepreneurship: Toward a digital technology perspective of entrepreneurship. *Entrepreneurship Theory and Practice*, 41(6), 1029-1055.

Spreitzer, G., & Porath, C. (2012). Creating sustainable performance. *Harvard Business Review*, 90(1/2), 92-99.

Sull, D. N. (2009). How to thrive in turbulent markets. *Harvard Business Review*, 87(2), 82-89.

Taybah, H. A., Ghubar, H. A., & Shaabain, M. F. (2022). The impact of agile leadership on achieving sustainable environmental development: A field study of employees of Sela Company in Jeddah. *Journal of University Studies for Inclusive Research*, 4(19), 3688-3724.

Teece, D. J. (2007). Explicating dynamic capabilities: The nature and microfoundations of (sustainable) enterprise performance. *Strategic Management Journal*, 28(13), 1319-1350.

Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, 18(7), 509-533.

Weill, P., & Woerner, S. L. (2018). *What's Your Digital Business Model?: Six Questions to Help You Build the Next-Generation Enterprise*. Harvard Business Review Press.

Zaoui, F., & Souissi, N. (2020). Roadmap for digital transformation: A literature review. *Procedia Computer Science*, 175, 621-628.