Perceived Organizational Support, Transformational Leadership and Organizational Performance: Perspectives of Hospitality Industry in Malaysia

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Abstract: Leadership studies within the field of business research in Malaysia and around the globe are expanding rapidly but remain divided and inconclusive. The hospitality industry provides significant contributions to Malaysia's economy, reflecting its financial standing. Therefore, this paper intends to analyze the most recent research breakthroughs linked to transformational leadership and organizational performance in Malaysia's hospitality industry, as well as to put forward recommendations for potential mediating or moderating variables. Past literature confirms that practicing and exhibiting transformational leadership qualities is relevant for hospitality leaders. Furthermore, it suggests that transformational leadership dimensions may significantly contribute to organizational performance. Finally, this study concludes that POS could bridge the gap in existing research on the relationship between transformational leadership towards organizational performance. This study strongly postulates that by examining the role of POS in different contextual studies, it is highly anticipated that the direct links between transformational leadership and the performance of an organization can be enhanced. Furthermore, implications and recommendations are also discussed.

Keywords: Perceived organizational support; transformational leadership; organizational performance; hospitality industry, Malaysia.

1. Introduction and Background of Study

The onset of the COVID-19 pandemic occurred in December 2019 and has had a global impact on individuals. COVID-19 has presented itself as a notable illustration of a challenging business climate. It has become a tool for assessing business leaders’ readiness and responsiveness to sustain business operations despite the obstacles in the environment. The outbreak of the pandemic has impacted organizational performance, prompting the firm to adopt proactive measures aimed at enhancing organizational performance (Wiradendri Wolor et al., 2020). Despite the anticipated impact on organizational performance, there has been a lack of efforts to examine how the styles of leadership could affect organizational performance within Malaysia's hospitality industry. The current study hypothesized that specific management leadership styles have the potential to yield a notable enhancement in organizational performance. It is observed that the hospitality industry has experienced the impact of globalization, digital technology, and the emergence of innovative service models. As a result, the hospitality industry has undergone significant shifts in its characteristics and dynamics, thereby necessitating a corresponding adaptation in leadership styles. Therefore, management style plays a crucial role in the hospitality industry in producing favorable employee outcomes.

In reality, the hospitality industry has a unique and distinct culture as compared to other industries. This service industry is characterized by frequent interactions with both customers and employees, with frontline personnel being of paramount importance in ensuring the effective delivery of the service (Terglav et al., 2016). The success of hospitality businesses is contingent upon the attitudes and behaviors of their employees (Ubeda-Garcia et al., 2014). According to several authors, hospitality industry employees encounter a deficiency in recognition, emotional exhaustion, occupational stress, excessive workload, and inadequate remuneration (Kim & Agrusa, 2011; Tongchaiprasit & Ariyabuddhiphongs, 2016). In addition, this particular industry has reported a notable incidence of employee absenteeism and turnover, which can be related to the fundamental features of its operations. As with other companies, the hospitality industry must acknowledge the significance of effective leadership and implement its principles to improve organizational performance. Failure to exhibit and exercise appropriate leadership practices may incur high costs for organizations. Adverse consequences, including high employee turnover, absenteeism, poor performance, and client discontent can greatly affect the sustained success of a hospitality organization, leading to substantial costs (Boger & Lim, 2005). This study
aims to examine how transformational leadership affects the realization of the full potential of hospitality employees.

The effective utilization of leadership style is a crucial management skill that has the potential to foster favorable employee interactions, improve performance, and increase customer service. Existing literature suggests the styles of leadership being practiced by leaders significantly affect the performance of the organization (Alamir et al., 2019). However, most of the outcomes of the research have been established within the Western context (Mangkunegara, 2016; Naeem & Khanzada, 2018). The selection of transformational leadership as the preferred leadership style may facilitate employee retention in the food and beverage industries. The transformational leadership practice has been proven to be beneficial in sustaining customer engagement and fostering innovation despite the challenges posed by transformation. The practice fosters a culture of experimentation, promotes innovative problem-solving techniques, and stimulates employees to transcend conventional thinking. This particular leadership style is customer-centric and encourages employees to devise customer-centric solutions.

The study’s objectives are three-fold. Firstly, it intends to establish the need to exhibit transformational leadership within the hospitality industry. Secondly, it ascertains the potential effect of the dimensions of transformational leadership on employees within the food and beverages industry. Finally, it intends to observe the potential moderating effect of POS on the relationship between transformational leadership and the organization’s performance. All of these objectives are proposed with the awareness that the current research on leadership within the hospitality industry in Malaysia is still lacking and the findings on the effects of transformational leadership on subordinates remain inconclusive (Hoch et al., 2018; Judge & Piccolo, 2004). There are a few that have established that individual and behavioral outcomes were impacted by transformational leadership (Gui et al., 2020 & Mohamed, 2016) and others have not observed such a relationship (Gu et al., 2017).

2. Literature Review

Leadership within the Hospitality Industry: Leadership is essential in influencing organizational performance and determining an organization’s capacity to adapt to new circumstances (Bass et al., 2003). Thus, a specific leadership style might serve as an indicator of the organization’s success (Arham, 2014a). Hence, the leadership styles exhibited are crucial in influencing the organization’s growth and employees' performance. Leadership entails the identification of an organization’s goal, the promotion of behavior that is conducive to its attainment, and the exertion of influence over group civilization and maintenance. Erkutlu (2008) asserted that there would be no leader without subordinates. According to the author, leadership is the act of exerting influence, providing encouragement, and granting permission to employees to facilitate their contribution to the organization’s success and efficiency.

The significance of leadership in the hospitality industry has been established through various studies (Patiar & Wang, 2020; Koo et al., 2019; Jang et al., 2017). There is a notable connection between leadership styles and employees’ well-being (Correia de Sousa & van Dierendonck, 2014). Additionally, the study highlights leadership has different effects on supportiveness and openness. Moreover, it has been observed that leaders tend to attain elevated levels of accomplishment by giving precedence to the work engagement of their subordinates, particularly in situations involving customer interaction (Barnes & Collier, 2013). Successful leaders can provide guidance that stimulates, possess the ability to offer the direction that motivates individuals to take action, cultivate innovativeness and make prudent decisions to help the team achieve their success ( Bennet, 2009). However, leadership styles have been found to have had no significant impact during the COVID-19 pandemic (Mathende & Karim, 2021).

Yom and Gibbs (2021) postulated that the lack of significance could be attributed to various factors, including organizational, environmental, cultural, and situational circumstances. Transformational leadership can be implemented by all leaders within the organization. Teams led by transformational leaders achieve greater outcomes by enhancing and guiding the individual contributions of their members. Transformational leaders create significant changes in values, attitudes, behavior, emotions, and superior performance among subordinates (Effiyanti et al., 2021). Previous research has commonly employed Bass’s (1985) model of
transformational leadership as a means of motivating personnel to surpass anticipated levels of performance. Still, past studies have identified certain constraints within his theoretical frameworks. Rafferty and Griffin (2004) found a lack of empirical evidence supporting the proposed factor structure model and the significant correlation between leadership components in their research. Similarly, several authors have made similar claims (Avolio et al., 1999 & Tejeda et al., 2001). Furthermore, Barbuto (1997) contended conceptual ambiguity between the dimensions of charisma and inspirational motivation of transformational leadership.

**Transformational Leadership:** The transformational leadership theory has undergone several modifications over three decades of scholarly inquiry. In recent years, there has been a proliferation of theoretical and empirical research on transformational leadership. Brown and Keeping (2005) define transformational leadership as a leader’s ability to share a vision for the future of their subordinates, stimulate their intellectual faculties, and acknowledge the diversity among individual staff members. In addition, transformational leaders stimulate and influence subordinates to put aside their self-interests in favor of the greater good (Lord et al., 2017 & Banks et al., 2016). In the hospitality industry, transformational leaders focus on maintaining a good relationship with their employees, customers, and other stakeholders. Leaders who adopt a transformational approach in the hospitality industry are known to be resourceful to their employees to succeed. They prefer to cultivate employees’ training and development and enable them to assume greater accountability and exert influence over customer experiences. Transformational leadership is linked to various individual and organizational outcomes such as performance, citizenship behavior, subordinates’ satisfaction and commitment (Banks et al., 2016 & Alamir et al., 2019). However, subordinates’ performance is the most crucial variable among the numerous outcome variables.

Bass’s (1985) research on transformational leadership and organizational performance highlights that the implementation of this leadership approach results in employees exceeding performance expectations. According to the author, the implementation of transformational leadership may eventually result in extraordinary performance from subordinates. Overall, transformational leadership is a powerful tool in the hospitality industry because it facilitates the establishment of a positive work culture, fosters employee motivation and engagement, and enhances the quality of the customer experience. Although the literature highlights theoretical and practical studies on transformational leadership and organizational performance, further research is still required to comprehend and predict this correlation fully. Insufficient scholarly attention has been devoted to the fundamental mechanism that governs the correlation between the aforementioned variables; thus, scholarly inquiries are necessary to elucidate this matter (Wang et al., 2013). Furthermore, it is imperative to examine the pertinent factors that influence the correlation between transformational leadership and organizational performance (Han et al., 2020). This study suggests a transformational leadership model that Rafferty and Griffin (2004) developed in response to the shortcomings of the previous model. This transformational leadership model appears to possess a greater degree of practicality and thoroughness due to its incorporation of five distinct dimensions: vision, inspirational communication, intellectual stimulation, supportive leadership, and personal recognition (Rafferty & Griffin, 2004).

**Transformational Leadership Dimensions:** According to Rafferty and Griffin (2004), the transformational leadership model should comprise five dimensions as follows:

**Vision:** This dimension has been highlighted as one of the factors that can help increase organizational performance. Organizations necessitate leaders with a crystal direction, as they are capable of effectively conveying their expected future accomplishments to their subordinates. According to Rafferty and Griffin (2004), the attribute of vision is encompassed within the wider construct of charisma, which is regarded as a key trait of effective leadership. The recurrent matter of charisma pertains to the importance of defining vision. Charismatic leaders demonstrate behaviors such as effective communication and a strong conviction that enhances clarity of goals, attention to tasks, and alignment of values (House, 1977). The current study has established the definition of vision as proposed by Rafferty and Griffin (2004), which describes it as a representation of an idealized future state that is grounded in the values of an organization.

**Inspirational Communication:** Researchers have used a variety of perspectives in the past to define the concept of inspiration. Inspiration has been described as the force that moves the mind or emotions (Downton,
1973). On the contrary, Bass (1985) described inspiring leadership as when a leader uses emotional traits in the influencing process. Bass added that inspirational leaders employ inspirational presentations and emotional appeals to add affective characteristics to the influence process. These definitions reveal a recurring usage of oral communication in the context of inspirational communication, which Rafferty and Griffin (2004) decided to focus on. Inspirational communication is defined by the authors as positive and encouraging messages and statements about the organization that enhance employee motivation and confidence.

**Intellectual Stimulation:** According to some authors, this dimension is the most important element of transformational leadership (Lowe et al., 1996). This attribute involves behaviors that cultivate subordinates' interest and knowledge regarding various issues and their ability and inclination to address them using diverse approaches (Bass, 1985). Transformational leaders consistently promote, demonstrate, support, and seek innovative problem-solving solutions from all members of the organization through continuous intellectual stimulation. In the current study, the term “intellectual stimulation” is defined as enhancing the cognitive abilities of subordinates to generate innovative solutions to problems while concurrently augmenting their awareness and inclination towards problem-solving. In addition, the benefit of intellectual stimulation can increase subordinates’ capacity to conceptualize, interpret, and evaluate issues, as well as improve the value of results (Bass & Avolio, 1990).

**Supportive Leadership:** This dimension emphasizes individual consideration. The authors argue that supportive leadership - a leader's behavior that shows concern for their subordinates' well-being—is essential to transformational leadership. This study supports Rafferty and Griffin's (2004) definition, which emphasizes subordinates’ requirements for attention and care. Supportive leadership involves friendly and approachable traits that provide employees with social-emotional, material and informational resources, showing respect and care for the well-being of employees (Bass, 1990; Oldham & Cummings, 1996). Besides being the subject of interest in various fields, including management, public administration, and industrial and organizational psychology, supportive leadership has been shown to affect employee performance significantly.

**Personal Recognition:** The final dimension encompasses the contingent reward aspect associated with transformational leadership. Personal recognition pertains to leaders’ exhibiting acknowledgment for their subordinates’ efforts and granting them incentives in accordance with accomplishments that align with the primary vision. In accordance with the definition by Rafferty and Griffin (2004), the current study defines this dimension as the provision of incentives, such as commendation and appreciation of effort, for accomplishing organizational targets. Many organizations currently use personal recognition to encourage and motivate employees to achieve high performance and productivity (Amoatemaa & Kyerremeh, 2016). Personal recognition has been identified as a contributing factor in enhancing employee motivation toward the accomplishment of organizational goals (Imran et al., 2014).

**Organizational Performance:** Before the rapid technological progress and intense competition in the corporate landscape, research has underscored the necessity of enhancing organizational performance and long-term viability through the establishment of effective leadership and the optimal use of resources, including human capital (Le & Le, 2021). Organizational performance is a factor that contributes to an organization's success. In addition, sustaining high levels of performance can help improve the quality of services and goods, boosting the firm's competitive advantage (Scotti et al., 2007). Consequently, improving performance is crucial for organizations that aim to ensure their survival and achieve sustainable growth. According to Judge (2011) and Lei and Le (2019), leadership is a factor that influences organizational performance.

Previous research argues that, among dominant leadership styles, transformational leadership is the most effective as it brings the organization numerous essential benefits and a variety of significant results (Garcia-Morales et al., 2008; Yang et al., 2018 & Son et al., 2020). Son et al. (2020) mentioned that transformational leadership encourages people to attain the highest organizational and managerial performance levels. Furthermore, Garcia-Morales et al. (2008) indicated that high organizational performance is driven by an environment where transformational leadership is applied and practiced correctly. The current study seeks to propose the introduction of a moderating variable to the aforementioned relationship. This involves an analysis
of contemporary research on transformational leadership and its impact on organizational performance in the hospitality industry. The findings of this study are organized and presented in the table below.

Table: Research on Transformational Leadership and Organisational performance (2019–2023)

<table>
<thead>
<tr>
<th>No.</th>
<th>Author/Year</th>
<th>Journal</th>
<th>Findings</th>
<th>Future Research</th>
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<tbody>
<tr>
<td>1</td>
<td>Nguyen et al. (2023)</td>
<td>IIMB Management Review</td>
<td>These authors investigated the effect of TL, organizational culture, and OP among 903 employees within the Vietnam manufacturing industry. The study showed organizational culture mediated the relationship between TL and OP.</td>
<td>It is recommended that future research investigate the individual effect of TL on OP. Secondly, it is suggested that other mediating variables should be used in explaining the links between TL and OP. Finally, future studies should consider different industries.</td>
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<td>2</td>
<td>Aftab et al. (2023)</td>
<td>Journal of Hospitality and Tourism Insights</td>
<td>These authors examined the role of work engagement in the relationship between TL and job performance among 360 employees. It is found that TL is related to job performance and work engagement.</td>
<td>Future studies should be conducted in settings other than hotels in Italy to ensure the data can be generalized to other settings.</td>
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<td>3</td>
<td>Sudha et al. (2023)</td>
<td>International Journal of Public Sector</td>
<td>These authors included the effect of organizational commitment as the mediator between TL and job performance in the Maldives civil service. The result found that there was no relationship between TL and job performance, but there was a small mediation effect between the variables.</td>
<td>It is recommended to employ stratified random sampling to evaluate the impact of transformational leadership on various organizational levels, and to determine which level has a much greater impact.</td>
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<td>4</td>
<td>Mohammed &amp; Al-Abbrrow (2023)</td>
<td>International Journal of Organisational Analysis</td>
<td>These authors intended to assess the impact of TL on OP, considering shared leadership as a mediator and organizational culture as a moderating component. It used a quantitative technique, and the data was acquired from 301 personnel in the health sector. The finding indicated that all correlations were significant and underlined the importance of mediating variables.</td>
<td>It is suggested that future studies should involve employees working at different levels in the organization. Besides that, it is recommended that future studies test other leadership styles.</td>
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<td>5</td>
<td>Teoh et al. (2022)</td>
<td>Frontiers in Psychology</td>
<td>These authors investigated the dimension level of TL and performance in the Malaysian hospitality industry. The data was obtained from 400 employees in the Malaysian industry and analyzed by using PLS-SEM. The study found that idealized influence and inspirational motivation significantly influenced employee performance.</td>
<td>Future studies are recommended to compare the differences across cultures and nations since this study was conducted only in Malaysia. Besides that, it was suggested that future research should use longitudinal rather than cross-sectional research.</td>
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<td>No.</td>
<td>Authors/Year</td>
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<td>6</td>
<td>Jiatong et al. (2022)</td>
<td><em>Frontiers in Psychology</em></td>
<td>These authors determined the impact of TL, organizational commitment, and OP in the affective domain. Respondents were employees working in China, and the data was assessed by using SEM. The result indicated that the relationship between TL and OP was mediated by employee engagement. Future studies are expected to test the relationship between variables using different samples. Additionally, future research could compare different leadership styles regarding OP and employee engagement.</td>
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<td>7</td>
<td>Puni et al. (2022)</td>
<td><em>Leadership and Organisation Development Journal</em></td>
<td>Their study examined the mediating role of innovative climate, TL and OP in Ghana. The data in this study was analyzed by using SPSS. The finding showed that TL significantly affected firm performance, and an innovative climate was a significant mediator in this relationship. It is recommended for future studies to incorporate different leadership styles, to consider different industries and to encourage cross-country cultural differences.</td>
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<td>8</td>
<td>Budur &amp; Demir (2022)</td>
<td><em>Iranian Journal of Management Studies</em></td>
<td>Their study examined the effect of TL and employee performance and organizational citizenship behaviors as the mediator. It was conducted among SME employees in Iraq. They reported that inspirational motivation significantly and positively affected employee performance. Additionally, it was found that OCB partially affected employee performance, while courtesy and conscientiousness significantly and positively impacted employee performance. It is suggested that future research consider a similar model in a different cultural setting. The researchers also suggested that future research should test different leadership styles in measuring employee performance and OCB.</td>
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<td>9</td>
<td>Firmansyah et al. (2022)</td>
<td><em>Cypriot Journal of Educational Sciences</em></td>
<td>These authors conducted a meta-analysis approach to integrate the findings from 65 separate studies and concluded that in terms of average influence, “transformational school leadership” positively influenced teacher performance. It is recommended that future studies include situational aspects to establish a clear overview of “transformational school leadership” and how it could affect teacher performance.</td>
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<td>10</td>
<td>Hilton et al. (2021)</td>
<td><em>Management Research Review</em></td>
<td>In their study, job satisfaction has been adopted as the moderator of the relationship between TL and OP. Employees in selected commercial banks in Ghana were taken as samples. The results indicated that individualized consideration has the most significant impact on OP. Moreover, job satisfaction Future research should include other leadership styles and conduct the same study in different contexts.</td>
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<td>11</td>
<td>Dahleez &amp; Abdelfattah (2021)</td>
<td>International Journal of Productivity and Performance Management</td>
<td>This study examined the correlation between TL and OP, taking into account the moderating influence of market orientation. The data was gathered from personnel employed in Omani SMEs and examined using SEM and AMOS. The results demonstrated a direct correlation between TL, OP and market orientation.</td>
<td>Future studies may compare outcomes based on the data collected from developing countries. Besides that, future research should test other types of intervening variables when studying organizational performance.</td>
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<td>12</td>
<td>Effiyanti et al. (2021)</td>
<td>Journal of Asian Finance, Economics, and Business</td>
<td>The study examined how TL influences OP, with readiness to change and empowerment of knowledge sharing acting as mediating factors. The participants in this study were personnel of the National Agency of Drug and Food Control in Indonesia. The study indicated that TL was a strong predictor of preparedness for change and enhanced the quality of knowledge-sharing, which has a major impact on OP.</td>
<td>It is recommended that future research consider sampling sites other than public service organizations. Besides that, future studies are encouraged to consider proper TL program strategies and implementation to improve OP.</td>
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<td>13</td>
<td>Le &amp; Le (2021)</td>
<td>Psychology Research and Behaviour Management</td>
<td>These authors have included organizational change capability as a mediator in the relationship between TL and OP among Vietnamese firms. This study used AMOS and SEM to analyze the relationship between the proposed variables. The finding showed a significant influence of TL on organizational change capability and performance.</td>
<td>Future research should use a longitudinal approach, as this study only used a cross-sectional design. Besides, it is suggested that future research include respondents from a different context.</td>
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<td>14</td>
<td>Rawashdeh et al. (2020)</td>
<td>International Journal for Quality Research</td>
<td>These authors investigated the effect of TL and OP and considered the mediating role of quality innovation. The quantitative data was collected among middle-level leaders and analyzed by using IBM AMOS 22. The finding showed that TL was significantly related to OP and quality innovation.</td>
<td>It is suggested that future research conduct exploratory research on OP in different industries and use different samples.</td>
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<td>15</td>
<td>Jensen et al. (2020)</td>
<td>European Management Journal</td>
<td>These authors used a mixed-method approach to investigate the effect of TL and OP. The study was conducted among CEOs of publicly listed US and European companies. The findings of this research revealed a significant relationship between intellectual</td>
<td>Future research should be conducted in other countries, such as Asia and Australia. Additionally, future research should replicate this study by using secondary sources of CEOs’ TL annually.</td>
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16 Jnaneswar & Ranjit (2020) *Journal of Advances in Management Research* 
These authors investigated the relationship between TL and OP by including the mediating effect of corporate social responsibility. The data came from employees working in the manufacturing industries in India. Besides that, the PROCESS macro was used to analyze CSR's mediating effect. The result supported that TL affected OP and CSR. In addition, there was a partial mediation of CSR in the relationship between TL and OP. Subsequent investigations must consider broadening the scope of the study by gathering data from various sources and employing a longitudinal methodology to ensure the generalisability of the results to different contexts.

17 Anselmann, & Mulder (2020) *Journal of Nursing Management* 
These authors identified the relationship between TL, knowledge sharing and reflection, a safe team climate and team performance among nursing and social work teams. In this cross-sectional study, data were analyzed using SEM. This study found that TL influenced team performance among nurses and social workers. Furthermore, this study suggested that TL could establish a safe environment in a work team, which in turn will improve team learning and OP.

18 Lai et al. (2020) *Sage Open* 
These authors used a multitemporal and multisource research design to confirm the relationship between TL and OP, with the mediating role of work engagement. It was conducted among nurses, and hierarchical linear regression was used to analyze the data. They found that work engagement mediated the positive relationship between leadership, OP and helping behavior. It is suggested that future research should consider examining more beneficial outcomes of TL. Besides that, the authors indicated that data collection could be made from different occupations and sectors.

19 Bastari et al. (2020) *Management Science Letters* 
This study investigated the relationship between TL style and OP, with job motivation as the mediator. The respondents to this research consisted of the employees working at PT. Kereta Api Indonesia. The findings revealed that TL significantly affected employee performance,
with job motivations as the mediating variable. Besides that, findings showed that employees' job motivation also significantly affected OP.

**20 Nguyen & Luu (2019) Economics & Sociology**

These authors studied the significant effect of TL and OP performance among manufacturing firms in Vietnam. The finding revealed that TL significantly affected organizational performance through learning, innovation, and culture. In addition, the data were analyzed by using AMOS and SPSS to assess the relationship between latent variables.

Since this research used CEOs as respondents, it is suggested that future research use subordinates or immediate leaders to achieve accurate results. This study also proposes that future research explore additional variables that could influence the relationship between TL and OP in various settings.


This quantitative study examined the role of TL in enhancing employee competency for OP. It was conducted among supervisors working in the food manufacturing industries. The data in this study were analyzed using SPSS and PLS-SEM. The findings indicated that TL significantly affected OP.

This study recommends that future research incorporate samples from many industries to enhance its generalisability.

**22 Matar et al. (2019) International Journal of Recent Technology and Engineering**

These authors identified the impact of TL on OP among government employees working in Dubai. PLS-SEM was used for data analysis. The result indicated that the four elements of TL significantly predicted employee performance.

Future research should include various samples from many sectors to increase its generalisability.

**23 Manzoor et al. (2019) Sustainability**

These authors examined the relationship between TL and OP. Corporate social responsibility was taken as the mediating variable. It was conducted among employees working in SMEs in Pakistan. The findings revealed that TL was a predictor of OP. Additionally, corporate social responsibility mediated this relationship.

Future research could use a longitudinal study technique to present the research model. Also, it is suggested that future research extend the study by involving other organizations in different countries.

**Notes:** Transformational leadership (TL); Organisational performance (OP).

Table 1 highlights research that has been conducted on transformational leadership and organizational performance from 2019 to 2023. A meta-analytic approach was used to establish links between transformational leadership and organizational performance. The meta-analytic approach was vastly employed to analyze and synthesize literature (Ali et al., 2019; Bastari et al., 2021). All articles were obtained by searching the Scopus database using the terms “transformational leadership,” “performance”, and “Malaysia.” The literature search has yielded 219 articles. Out of 219 articles, only 70 were on the study area topic. Unfortunately, this study only kept 24 articles because they fulfilled the research criteria. The results
shown in Table 1 confirm that the majority of past research has established that transformational leadership is associated with organizational performance.

Consequently, the incorporation of transformational leadership characteristics into organizational operations results in increased job satisfaction among employees, ultimately leading to enhanced organizational performance. In addition, it was found that numerous researchers had conducted investigations on the relationship between transformational leadership and performance across various contexts and industries, as depicted in Table 1, presented earlier. Despite the recognition of hospitality employees as the hotel's most distinctive and significant asset and the most expensive investment, the hospitality industry has not received adequate empirical attention (Hwang et al., 2021). Furthermore, most earlier studies on transformational leadership and organizational performance have included mediating variables, with only a few studies analyzing the moderating effect between the variables. Therefore, this study anticipated that the inclusion of POS as the moderating variable could help improve organizational performance in Malaysia's hospitality industry.

The Relevance of Transformational Leadership on Organisational Performance: The data reported in Table 1 indicates a correlation between transformational leadership and organizational performance, which exhibits both direct and indirect effects (Atan & Mahmood, 2019; Khan & Adnan, 2014 & Overstreet et al., 2014). Transformational leadership is a multifaceted notion linked to organizational success because of its association with being forward-thinking, open-minded, and proactive (Bass, 1985; Howell & Avolio, 1993). In addition, Table 1 demonstrates that studies have been conducted across many sectors, indicating a significant correlation between transformational leadership and organizational success. Chai et al. (2017) suggested that transformational leadership can enhance organizational performance by including employees in decision-making, boosting their performance, and laying the groundwork for achieving the organization's objectives.

Perceived Organisational Support as the Moderating Variable: The third objective of this study is to evaluate the potential influence of POS as a moderating variable in the link between the factors mentioned above. Based on Blau (1964) and Gouldner (1960), POS refers to the perception of employees towards organizational support and care. Based on the organizational support theory (Eisenberger et al., 2001), while delivering the organization's expectations, reciprocally employees assess how their organization appreciates their efforts and are concerned about whether their well-being is looked after. The notion of POS elicits a sense of duty to reciprocate the advantageous treatment that has been bestowed upon an individual. Many studies have reported the positive outcomes of POS for the organization, such as affective commitment, career satisfaction, intention to stay, and organizational performance (Kurtessis et al., 2017 & Jeung et al., 2017). However, despite the immense contribution to transformational leadership and organizational performance literature, there is scant empirical evidence on how POS moderates this relationship, especially within the scope of this study. Table 1 reveals a lack of studies that incorporate moderating variables in the correlation between transformational leadership and organizational performance. Due to the inconsistencies of findings established, this study postulates POS as the moderator that will strengthen the existing association between transformational leadership and organizational performance.

3. Research Methodology

This study will employ a cross-sectional design, and a self-administered questionnaire will be distributed among employees working in the food services sub-sector in Malaysia. Explanatory study is chosen for its capacity to clarify the connection among independent, dependent, and moderating variables. Zikmund et al. (2010) recommend using this research design as the data to be collected is singular in nature.

Sample and Procedure: The data of this study will be collected data from full-time employees in the food and beverage business in the Klang Valley, which has the highest employment rate in the services sector (DOSM, 2022). Thus, it indicates that this industry is significant to the Malaysian economy. The record also indicated that between the three sub-sectors of the food and beverage industry, the food services sector employed the highest number of employees with 758,992, as compared to event catering services with 106,701 and beverage with 93,110 (DOSM, 2019).
Measures: The study aims to assess the correlation between transformational leadership styles and organizational performance in the hospitality sector through the use of a survey questionnaire. The scales employed in this study will be derived from prior research. The questionnaires will employ a 5-point Likert scale, where scale 1 will denote the response option of "strongly disagree," and scale 5 will denote the response option of "strongly agree." For the transformational leadership measurement items, the questionnaires will be adapted from Rafferty and Griffin (2004). The five dimensions of the transformational leadership scale included vision, inspirational communication, intellectual stimulation, supportive leadership, and personal recognition. For organizational performance, the items will be adopted from Janssen and Van’s (2004). The questionnaires will include inquiries regarding the completion of job duties as outlined in the employee’s job description and the fulfillment of performance requirements by the employee. Finally, for the moderating variable, the shortened version of the Survey of POS by Eisenberger et al. (1986) will be adopted. Considering the possibility of common method bias, this study will exercise the recommended approach by Podsakoff et al. (2003), which involves incorporating reverse items into the questionnaire and randomizing the order of items within the questionnaire.

Data Analysing Strategy: For data analysis, Statistical Package for Social Science (SPSS) 26.0 and Smart PLS-SEM will be employed. SPSS will be used to extrapolate data and assess data normality, as well as to assess the demographic profiles of the respondents. Furthermore, as this study attempts to identify the key driver constructs of transformational leadership on organizational performance, PLS-SEM 3.0 has been chosen as the software for assessing the relationship between variables. The measurement model will be evaluated by defining the measurement and structural models. The reflective model demonstrates the connection between constructs and their associated indicator variables, while the structural model explains the connections between constructs (Hair et al., 2017). The reflective measurement model will undergo three assessments: internal consistency, convergent validity (indicator reliability/outer loading and average variance extracted), and discriminant validity. Then, this study will evaluate the structural model through six stages: investigating collinearity difficulties, evaluating the significance and relevance of structural model relationships, and measuring R2, F2, predictive relevance, Q2, and q2 effect size.

4. Discussion

This study aims to analyze the correlation between transformational leadership and organizational performance, as well as explore the potential moderating impact of POS on this relationship. Past studies indicate that leaders who possess a well-defined vision exert a beneficial and noteworthy influence on the employees (Alamir et al., 2019 & Banks et al., 2016). Therefore, it is proposed that leaders express a concise and unambiguous vision to their workforce because sharing future visions with the employees motivates them to work hard to achieve the company’s goals and objectives. Furthermore, when employees are provided with a clear vision, they will have confidence in the organization’s long-term survival and growth. Similarly, Kantabutra (2010) agreed that organizational leaders should formulate a clear and brief vision to provide instruction. When the shared vision is apparent, employee satisfaction increases, leading to improved organizational performance.

Transformational leadership primarily centers on organizational performance, as past findings have demonstrated that this style of leadership is a substantial predictor of various job-related outcomes (Buil et al., 2018). While transformational leadership has received substantial investigation in Western culture, further research in other cultures, such as Malaysia, is required to determine whether it is a universal leadership style. A comparative analysis of transformational leadership across diverse cultures can shed light on how culture influences the effectiveness of leadership styles. Moreover, with the growing prevalence of technology and remote work, it is essential to investigate how transformational leadership can be adapted to the digital age. Thus, this study could investigate how leaders can utilize digital tools to engage and inspire their subordinates and how the absence of face-to-face interaction impacts the effectiveness of transformational leadership. Ardi et al. (2020) state that transformational leadership in the digital age should understand digital advancements and have a role in initiating change.

Theoretical Contribution: Despite significant evidence supporting the idea that transformational leaders enhance subordinates’ performance, a recent study yielded conflicting outcomes. By using samples from
employees from the food and beverages sector, this study will examine how transformational leadership influences organizational performance. It aligns with the meta-analyses in Table 1.1, which synthesize the results of prior research on these two variables. Furthermore, this study aims to enhance the existing literature on leadership and hospitality by deepening the authors’ comprehension of the correlation between transformational leadership, employee performance, and their underlying mechanisms. Even though, the interest in studying transformational leadership on organizational performance is increasing, this study will contribute theoretically to the application of this leadership style within the context of Malaysia, especially in the food and beverage sector. The inclusion of POS as the moderator is expected to fill the gap in the existing literature and build up a new theoretical foundation in enhancing the performance of the organization in the Malaysian food and beverage industry.

**Practical Contribution:** This study has important implications for practitioners. The study could provide several real-world results for hospitality executives and managers. Leaders in Malaysia’s hospitality industry will be informed that they must demonstrate and practice transformational leadership to increase organizational performance. The advantage of having transformational leaders in the organization is that they may encourage employees to collaborate to achieve the organization’s overarching goals. Furthermore, as indicated by previous literature and the outcomes of this study, the function of transformational leadership is critical to enhancing subordinate performance. They may affect outcomes at both the human and organizational levels, and transformational leaders enable organizations, particularly those in the food and beverage industry, to achieve their objectives in a competitive environment (Lin et al., 2016). This is due to transformational leaders’ efforts to ensure consistency between subordinates’ work and organizational responsibilities, which results in greater motivation (Zhu et al., 2013).

5. **Conclusion**

The establishment of the organization is intended to attain the requisite level of organizational performance. Hence, the principal objective of leaders who adopt a transformational leadership approach is to promote effective organizational performance. The present study contributes comprehension of the underlying mechanisms of transformational leadership specifically in the hotel industry. The meta-analysis conducted also indicated the current research on transformational leadership and organizational performance. The analysis highlighted the need to explore potential intervening variables that could enhance the relationship between those two variables. Moreover, the current study provides insights into the effectiveness of transformational leadership in enhancing organizational performance within the food and beverage industry in the 21st century. For the future direction of research, this study would recommend the inclusion of other leadership styles too. Resilient leadership and digital leadership are the two recent styles of leadership that have received greater attention in the body of knowledge. Perhaps, exploring the intertwining relationship between any of these styles against POS and organizational performance might provide different perspectives for scholars and practitioners. To conclude, the practice of transformational leadership can prove to be a highly effective leadership strategy for managers operating within the hospitality industry. Leaders who exhibit and practice transformational leadership attributes are expected to improve organizational performance by means of inspiring, coaching, empowering, establishing relationships, and fostering organizational performance. Finally, the current study posits that POS could be taken as the intervening variable that could strengthen the links between transformational leadership and organizational performance.

**References**


Han, S. H., Oh, E. G. & Kang, S. (2020). The link between transformational leadership and work...


