

Mediation of Knowledge Sharing and Commitment in the Relationship of Transformational Leadership on SMEs' Performance

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Abstract. Small and medium-sized enterprises (SMEs) are important to the national economy and can employ many workers. A company's success is heavily influenced by the quality level of its human resources. As a result, SMEs must be able to prepare their human resources, particularly in the role of a company leader. This study aims to improve the performance of SMEs, particularly food and beverage SMEs, by using the concept of mediating knowledge sharing and a company leader's commitment. The research sample consists of 160 SMEs with a minimum of 10 employees at the management level. The method used for analyzing knowledge sharing and commitment mediation is direct influence analysis between variables, followed by the Sobel test. Based on research findings, knowledge sharing and commitment effectively mediate the relationship between transformational leadership and company performance. Therefore, a leader's attitude that is committed to carrying out the company's vision and mission and can motivate his employees to continue learning can be beneficial to the company. These findings have significant theoretical implications and information that interest stakeholders in SME sustainability practices.

Keywords: Smes, Human Resources, Knowledge Sharing, Commitment, Transformational Leadership, Performance

1. Introduction

Human resources are a strategic resource in every division and can improve performance. To achieve company goals, HR must be managed and processed. Since a company's success depends on its human resources, it must have a vision, mission, strategy, and work program to improve them.

Small and Medium Enterprises (SMEs) are an important component of the national economy. In 2021, SMEs contributed 61% of the GDP, or 8,573.89 Trillion Rupiah, employed 97% of Indonesia's workforce and received 60.4% of its investment (Coordinating Ministry for Economic Affairs of the Republic of Indonesia in 2021). SMEs in Surabaya contributed 283.43 trillion Rupiah to the East Java economy in 2019, that food and beverage SMEs contributing 60%. Due to this background, the author chose Surabaya as the setting of this study. The covid-19 pandemic has reduced small and medium-sized food and beverage companies' revenue by 10% in recent years, and the human resource in SMEs is unprepared for these conditions.

An organization's success is linked to human resources. However, the most dominant problem is the impact of human resources on company performance (Andersén, 2019; Chitsaz et al., 2019). The relationship between human resources and company performance focuses on the ability to accumulate and use human resources in knowledge, skill, and adapt to any situation.

Success is measured by how well a company achieves its goals. Performance must be measured and compared to previous and future periods to determine if it has improved or regressed. This study examines how increased human resources, especially in transformational leadership styles, knowledge sharing, and company commitment, can improve company performance, particularly in food and beverage SMEs.

Transformational leadership and company performance increase work system satisfaction (Weller et al., 2020). This involvement leads to increased productivity, which improves firm performance. According to Cai, Jia, and Li (2017), transformational leadership impacts company performance. Inspiring leaders can improve employee performance. Fiset et al. (2019) found that transformational leadership reduces abusive supervision. Transformational leadership increases employee job satisfaction, which has an impact on company performance. Other studies that disagree on the relationship between transformational leadership and company performance include research conducted by Joko Triraharjo et al., (2020), and Chen et al., (2019), which claim that transformational leadership does not affect company performance. The reason for this conclusion is that transformational leadership is slow to adapt to changes in the workplace. To overcome these challenges, we require a supporting concept.

Knowledge sharing helps employees innovate at the individual, team, and

organizational levels (Grant, 2016; Donnelly, 2019; Oyemomi et al., 2019). Knowledge sharing improves performance, which encourages innovation, according to research. According to Olan et al. (2022), Knowledge sharing affects innovation and organizational performance. Knowledge sharing is critical to organizational competitiveness (Lombardi, 2019). it can help decision-making by maximizing productivity and innovation opportunities that affect company performance. Oyemomi et al. (2016) found that knowledge sharing affects company performance by creating new knowledge that increases company performance. According to research (Ga'al et al., 2015), knowledge sharing helps others solve problems, create new ideas, and implement them.

Performance and commitment are related to job satisfaction and performance. According to research (Hettiarachchi and Jayaeathua, 2014; Shahab and Nisa, 2014), individuals with high organizational commitment will behave positively toward the organization, give their best, make sacrifices, and be loyal and want to survive. Sungu, Weng, and Xu (2019) found that commitment affects performance. High-commitment employees are loyal and dedicated to their company. Mayer et al. (2013) found a link between performance and commitment. High-commitment workers can advance their careers by motivating themselves. Organizational and employee commitment improves company performance.

According to Lu et al. (2018), organizations and management research describes the design of a theory or phenomenon; many studies on transformational leadership and performance have different findings due to workplace changes. Thus, more research is needed to determine how transformational leadership affects SME performance using a variable concept mediating knowledge sharing and commitment as an original model. Obeidat et al. (2016)'s theory that states companies that want to succeed in a dynamic and competitive environment must prioritize knowledge is supported by previous research on the direct relationship between knowledge sharing and performance commitment. Based on theory and research, this concept improves food and beverage SMEs' operational performance.

The main objective of this study to analyze the statistical mediation of knowledge sharing and commitment in the relationship between transformational leadership and food and beverage SMEs performance. This study has limitations as variables that are not included but it has significant impact on improving the performance of SMEs, for example trust and compensation.

2. Literature Review

The previous research has discussed the relationship between transformational leadership and knowledge sharing, transformational leadership and commitment, and company performance. According to Mohammadi and Boroumand (2016), transformational leadership significantly affects knowledge sharing. Conger and

Kanungo's (1997) theory defines a transformational leader as a charismatic leader who promotes an unconventional vision, takes risks to support that vision, listens to members' needs, and shows trust. In Carless, Wearing, and Mann's (2000) study, transformational leadership employs the dimensions of innovation and entrepreneurship.

Employee commitment is a belief in achieving goals and a desire to keep working with the company. Previous research on the relationship between transformational leadership and commitment, according to Gulluce et al. (2016), found that transformational leadership has a significant impact on organizational commitment. A leader creates conditions that align employee identities and values by instilling a spirit of sacrifice for the company, representing a state of mind in which individuals feel the benefits associated with their work.

Work quality, quantity, efficiency, and effectiveness determine performance (Gibson et al., 1996). According to Sadia Arif and Aman Akram (2018), transformational leadership influences the performance of an organization. According to research, leaders must treat their subordinates well to achieve business outcomes. Hancock et al. (2021) found that transformational leadership improves performance due to an increase in employees' psychological well-being, enabling them to innovate at work. Transformational leadership helps employees innovate (Wang, Kim, and Lee, 2016; Zhang, Li, Ullrich, and van Dick, 2015), but Joko Triraharjo et al. (2020) disagree, suggesting that leadership and company performance are weak or insignificant because it cannot adapt quickly to workplace changes.

Knowledge sharing provides an opportunity for such activities as collective learning, innovative ideas for new products, and cost-cutting changes in manufacturing processes. According to Hasnain et al. (2017), knowledge sharing significantly impacts company performance. Companies must organize employee awareness sessions to teach them how knowledge sharing can benefit them and the company. Companies can also use incentives to encourage employees to engage in knowledge-sharing behavior and transform their knowledge so that it can be applied in the workplace.

Huan et al. (2017) conducted research to explain the relationship between commitment and company performance. According to his study, commitment significantly impacts company performance, such as organizations that have implemented effective social responsibility will have better work attitudes, higher productivity, and lower revenue rates. Furthermore, he states that company loyalty is essential in today's globally integrated and competitive market.

Based on the previous literature, the conceptual framework and hypotheses can be formulated as follows:

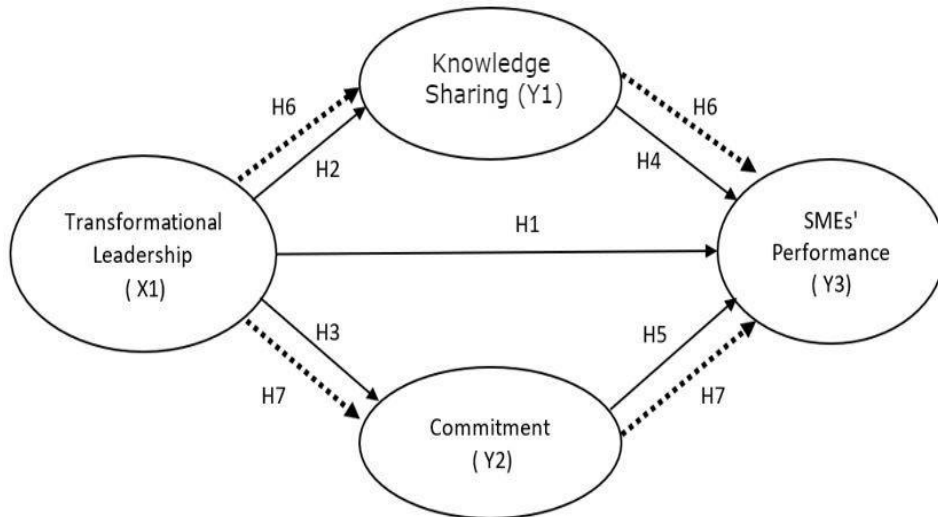


Fig.1: The conceptual framework

The research hypothesis is written as follows:

H1: Transformational leadership has a significant effect on SMEs' performance

H2: Transformational leadership has a significant effect on knowledge sharing

H3: Transformational leadership has a significant effect on commitment

H4: Knowledge sharing has a significant effect on SMEs' performance

H5: Commitment has a significant effect on SMEs' performance

H6: Knowledge sharing mediates the relationship between leadership and SMEs' performance

H7: Commitment mediates the relationship between leadership and SMEs' performance

3. Research Methodology

This explanatory quantitative research method was used to explain the position of the studied variables and the relationship and influence between one variable and another. Based on the problems and objectives to be achieved, this study will explain the variables mediating knowledge sharing and commitment in the relationship between transformational leadership on the performance of food and beverage SMEs.

The method used to determine the research location was chosen based on GDP data. East Java Province is one of the most significant contributors to GDP and based on East Java Provincial Government data for 2019-2020, SMEs in Surabaya make the most significant contribution to the economy in East Java, so this research was conducted in Surabaya with the time of conducting research in February 2021 - July 2022.

In this study, the population was Surabaya food and beverage SMEs. Small and medium-sized enterprises (SMEs) are defined as those with a minimum annual revenue of IDR 300 million to IDR 2.5 billion and between 5 and 20 employees where only 267 SMEs meet these requirements

Purposive sampling served as the method of selection for this investigation. Small and medium-sized food and beverage businesses must meet the following criteria: they must have between IDR 300 million and more than IDR 2.5 billion in annual sales and employ at least 10 people at the managerial level. 160 food and beverage SMEs among the 267 populations fit these criteria. The respondent is the CEO of a food and beverage SMEs.

This study used four variables consisting of one exogenous variable (transformational leadership), two mediating variables (knowledge sharing and commitment) and one endogenous variable (SME performance). Transformational leadership are measured with two dimensions of innovation and entrepreneurship, each of which has two adapted indicators (Carless, Wearing, & Mann, 2000). The knowledge-sharing variable is measured using two adapted indicators (Cabrera and Cabrera, 2005). The commitment Variable is measured using three adapted indicators (Allen and Meyer, 1990), Performance variable is measured using four indicators adapted by (Bartoli and Blatrix, 2015).

The analytical method used to test the hypothesis is multivariate, specifically, the structural equation model (SEM) using AMOS 23 software. Before performing the mediation analysis test, assumptions and model fit tests must be met in this SEM model: the outer model validity test (loading factor), reliability test, normality test, and model fit test. All tests must meet the requirements to continue mediation test analysis.

The measurement scale in this study used a Likert scale with a standard scale of 1 to 5. The choices of the questionnaire with the Linkert scale were strongly disagreed (notation 1), disagree (notation 2), neutral (notation 3), agree (notation 4), and strongly agree (notation 5). This assessment is used to measure variables with each indicator. The higher the indicator score is, the higher the respondent's perception of this variable.

The structural equation used for this study to explain the influence between variables is:

1. $Y_1 = b_1X_1 + \zeta$
2. $Y_2 = b_1X_1 + \zeta$
3. $Y_3 = b_1X_1 + b_3Y_1 + b_3Y_2 + \zeta$

To test the mediating effect of knowledge sharing and commitment in the transformational leadership relationship on the performance of food and beverage SMEs using the Sobel test calculation method. The Sobel test calculation formula is:

$$S_{ab} = \sqrt{b^2 s_a^2 + a^2 s_b^2 + s_a^2 s_b^2} \quad (1)$$

$$t = \frac{ab}{S_{ab}} \quad (2)$$

Note:

Sat : The magnitude of the standard error of the indirect effect

a : The path coefficient of the independent variable with the intervening variable

b : The path coefficient of the intervening variable with the dependent variable

sa : The standard error of the coefficient a

sb : The standard error of the coefficient b

The first step of the Sobel test is to determine the magnitude of the standard error of the direct effect. Next, the t-value of the coefficient is calculated and compared to the t-table value; if the t-observed value is greater than the t-table value, it can be concluded that a mediating effect exists. The coefficient value is examined to determine whether mediation analysis is more effective than direct influence. If the value of the mediation coefficient is greater than the value of the direct influence coefficient, it can be concluded that mediation concept is significantly effective.

4. Results

Table 1 shows the demographics of the respondents. The majority of the 160 respondents in the sample had a high school diploma or lower degree. Most of the 160 samples from food and beverage SMEs range in age from 4 to 9 years. The largest number of employees owned by 160 food and beverage SMEs is 5-10 employees. Food and beverage SMEs have a sales turnover of IDR 300,000,000 - IDR 1,100,000,000 from 160 samples. Before conducting hypothesis analysis, the validity, reliability, normality, and goodness of fit tests were conducted.

A validity test is used to determine whether an indicator is valid or not to measure a variable. The reliability test can be seen by calculating the CR (Construct Reliability) and VE (Variance Extracted) values. The validity test in SEM can be seen through Confirmatory Factor Analysis (CFA), while test is used to test the constancy of the questionnaire measurement results closely related to the trust issue. The results of CFA calculations to test the validity of an indicator are summarised in table 2.

Table 1. Profile Respondent

Respondent Demographics		Frequency	Percentage
Level of education	High school or lower	98	61.2
	Diploma	5	3.1
	Bachelor	54	33.8
	Masters	3	1.9
Company Age	4 – 9 years	108	67.5
	10 – 15 years	22	13.8
	16 – 20 years	17	10.6
	> 20 years	13	8.1
Number of employees	5 – 10 employees	105	65.7
	11 – 15 employees	29	18.1
	16 – 20 employees	10	6.2
	> 20 employees	16	10
Sales Turnover	IDR 300,000,000 - IDR 1,100,000,000	84	52.5
	> IDR 1,100,000,000 - IDR 1,900,000,000	42	26.2
	> IDR 1,900,000,000 - IDR 2,700,000,000	18	11.3
	> IDR 2,700,000,000	16	10

Table 2: CFA Test Results

CFA Test		Estimation
Innovation (X11)	<--- Transformational Leadership (X1).	.981
Entrepreneurs (X12)	<--- Transformational Leadership (X1)	.992
Creativity (X111)	<--- Innovation (X11)	.935
Conceptual Ability (X112)	<--- Innovation (X11)	.943
Charisma (X121)	<--- Entrepreneur (X12)	.920
Motivation (X122)	<- -- Entrepreneur (X12)	.914
Provider Behavior (Y11)	<--- Knowledge Sharing (Y1)	.977
Knowledge Seeking (Y12)	<--- Knowledge Sharing (Y1)	.970
Affective Commitment (Y21)	<--- Commitment (Y2)	.924
Continuity Commitment (Y22)	<--- Commitment (Y2)	.979
Normative Commitment (Y23)	<--- Commitment (Y2)	.972
Effectiveness (Y31)	<--- SMEs' Performance (Y3)	.980
Efficiency (Y32)	<--- SMEs' Performance (Y3)	.983
Sales Increase (Y33)	<--- SMEs' Performance (Y3)	.985
Achievement of Company Goals (Y34)	<--- SMEs' Performance (Y3)	.972

CFA Test results show the value of each variable indicator above 0.5 meaning that these indicators can be used to explain existing constructs or measure a variable. The test is summarised in table 3 to test its reliability.

Table 3: Reliability Test

Variable	CR	VE
Transformational leadership	0.986	0.973
Knowledge sharing	0.973	0.948
Commitment	0.971	0.919
SMEs' Performance	0.990	0.960

The reliability test results showed that CR values of all variables > 0.700 and VE > 0.500. Thus all variables are reliable and feasible. So that further tests can be carried out.

The normality test aims to determine whether the data distribution of an indicator or variable is normal. In the AMOS output, the normality test was carried out by comparing the CR (critical ratio) skew and kurtosis values in the assessment of normality with a critical ± 2.58 . The results of the normality test are summarised in table 4.

Table 4: Normality test

Variable	Dimension	Indicator	Skew	CR	Kurtosis	CR
Transformational leadership (X1)	X11	X111	-.243	-1.253	-.696	-1.798
		X112	-.223	-1.153	-.590	-1.523
	X12	X121	-.226	-1.165	-.630	-1.626
		X122	-.149	-.767	-.598	-1.544
Knowledge sharing (Y1)	-	Y11	-.213	-1.101	-.694	-1.792
		Y12	-.240	-1.238	-.716	-1.849
		Y21	-.215	-1.110	-.724	-1.870
Commitment (Y2)	-	Y22	-.293	-1.515	-.480	-1.238
		Y23	-.235	-1.215	-.548	-1.416
		Y31	-.318	-1.640	-1.119	-2.388
SMEs' Performance (Y3)	-	Y32	-.350	-1.806	-1.210	-2.125
		Y33	-.339	-1.751	-1.086	-2.405
		Y34	-.382	-1.975	-.984	-2.340

According to the normality test, each variable indicator has a critical ratio (CR) skew and kurtosis less than ± 2.58 . Then, for each variable, the indicators are normally distributed. So that the fit model test can be conducted.

Measuring the degree of fit between the model and the data requires various types of fit index to determine whether the model can be used. Test results goodness

of fit is presented in table 5.

Table 5: Goodness of fit test

Criteria for Goodness of Fit	Cut of Value	Results	Evaluation Model
Degree of Freedom (DF)	Positive (+)	228	-
X ² (Chi - Square)	264.22	260.33	Fit
Probability Significance	≥ 0.05	0.070	Fit
CMIN/DF	≤ 2.00	1.142	Fit
CFI	≥ 0.90	0.996	Fit
TLI	≥ 0.90	0.995	Fit
RMSEA	≤ 0.08	0.030	Fit

Table 5 shows that the model is fit because it has passed the threshold value, allowing it to proceed to the next stage, namely analyzing path analysis to examine the direct influence of variables and the influence of mediating variables.

The results of the SEM analysis of the direct influence of transformational leadership on knowledge sharing, transformational leadership on commitment, transformational leadership on SME performance, knowledge sharing on SME performance, and commitment to SME performance in this study are presented in table 6.

Table 6: Direct

Influence		Coefficient	SE	CR	P	Description
Transformational Leadership	→ SMEs' Performance	1.015	1.554	2.584	0.010	Significant
Transformational Leadership	→ Knowledge Sharing	1.026	.039	26.524	***	Significant
Transformational Leadership	→ Commitment	0.871	.034	25.285	***	Significant
Knowledge Sharing	→ SMEs' Performance	4.463	.466	2.078	***	Significant
Commitment	→ SMEs' Performance	4,203	1,712	2,454	0,014	Significant

The results of the SEM test have a direct impact, as illustrated in Table 5. First, transformational leadership significantly impacts SME performance. Second, transformational leadership has a significant impact on knowledge sharing. Transformational leadership has a significant effect on commitment, knowledge sharing has a significant effect on SME performance, and commitment has a significant effect on SMEs' performance. The results of the mediation analysis using the Sobel test are then summarized in table 7.

Table 7: Mediation analysis using the Sobel test

Relationship	t Observed	t Table	Coefficient	Significant
Transformational Leadership → Knowledge Sharing → SMEs' Performance	4,393	1,960	2,132	Significant
Transformational Leadership → Commitment → SMEs' Performance	2,442	1,960	3,660	Significant

The results of the Sobel test in table 7 show that knowledge sharing mediates the relationship between transformational leadership and SME performance. The two commitments mediate the relationship between transformational leadership and SME performance.

5. Discussion

The results of hypothesis 1 show that transformational leadership, which includes innovation and entrepreneurship, improves knowledge sharing (H1=accepted), meaning that better leadership improves knowledge sharing with colleagues. The millennial generation easily adapts to trustworthy leaders and integrity, which transformational leaders have become (Holt, 2018). A leader or decision-maker in the global era will motivate his colleagues to learn continuously to create knowledge sharing between work groups. This study agrees with Jiang and Chen (2018), Son, T. T. (2020), Hussain et al. (2021), and Rafique et al. (2022) that transformational leadership affects knowledge sharing. Treating transformational leaders as valuable and rare organizational assets, motivating and guiding their employees with care, and emphasizing values, beliefs, and emotions have encouraged employees to freely share their knowledge capital with colleagues to create more significant benefits and achieve common goals. According to Mittal and Dhar (2015) and Mohammadi and Boroumand (2016) research, transformational leadership can improve and encourage knowledge sharing in an organization. Transformational leadership can foster a mutually trusting and respectful work environment and increase employee participation in decision-making by sharing information to support the company's success. Sharing information makes employees more resourceful and gives them more material to develop follow-up ideas to improve company performance (Afsar et al., 2019). according to Wang et al. (2014), knowledge sharing improves company performance because intellectual capital is needed to share knowledge with employees to improve operational performance.

The result of hypothesis 2 shows that transformational leadership improves commitment (H2=accepted), meaning that a leader's motivational style can influence employee commitment. The more committed employees are, the harder

they work. Kim (2014), Mesu et al. (2015), Hwang, Chai, and Joo (2017) found that leadership affects commitment. A leader sets a good example for his subordinates regarding behaviour, attitude, and commitment, which is reflected in ethical and moral standards. Transformational leaders can boost organizational commitment by involving employees in critical decisions, increasing loyalty, inspiring, and providing individual employee support (Avolio and Yammarino, 2013). Transformational leaders use this approach to inspire employees to work harder, which increases organizational commitment. Dong et al. (2017) define transformational leadership as coaching and helping employees based on their needs and abilities to make them feel comfortable and committed to the company. In addition, Li et al. (2016) define transformational leadership as inspiring and idealistic influences on work group behaviour. Leadership attitude increases worker commitment and responsibility. Mauludin and Sulistyorini (2018) argue that transformational leadership does not affect organizational commitment where human resources policies, especially performance appraisal standards, are too high.

The results of hypothesis 3 show that transformational leadership positively affects SME performance (H3=accepted), meaning that the better the leadership attitude of the SME owner, the better the company's performance. In line with this research is by Buil, Martínez, and Matute (2019) found that transformational leadership significantly affects company performance. SME owners should practice transformational leadership by communicating and strengthening the company's vision, mission, goals, and objectives, creating a culture that encourages risk-taking, mentoring employees, and paying attention to their needs. SME owners who use transformational leadership can increase efficiency and satisfaction, improving company performance. Several studies have different opinions on the influence of transformational leadership on company performance, such as research by Chen et al., (2019), Joko Triraharjo et al., (2020), which concludes that the relationship between leadership and company performance is weak or does not have a significant effect. This conclusion is because transformational leadership is not fast enough to cope with changes in the workplace.

The results of hypothesis 4 show that knowledge sharing positively effects SMEs' performance (H4=accepted). The higher the knowledge sharing level among colleagues, the higher the company's performance. Due to the high altitude of providers (SMEs owners and senior employees), sharing their knowledge and experience with new employees can increase company productivity and performance.

This research is in line with Wang, Sharma, and Cao (2016), Cao and Ali (2018), who states that knowledge sharing significantly, affects performance. Knowledge sharing is crucial for company performance because it helps spread innovative ideas that enhance creativity and innovation. Companies need to support by providing facilities in the form of training for newly employed employees to gain

valuable knowledge for the company. By implementing this, the performance of SMEs can increase. In line with the research conducted by Ahmed et al., (2019) states that knowledge sharing can be understood as a process or activity of exchanging information/knowledge or expertise between individuals and groups within an organization. Knowledge sharing within an organization is multifaceted, complex, and complex even under the best working atmosphere (Pee, 2018). Sharing knowledge can be complex and complicated because in formal and informal communication, if companies can take advantage of this, their performance will increase.

The results of Hypothesis 5 show that commitment positively affects SME performance (H5=accepted). The greater employee commitment to the company, the better its performance. According to research (Hettiarachchi & Jayaeathua, 2014; Shahab & Nisa, 2014), commitment significantly affects company performance. The companies must provide adequate resources, facilities, training, and responsibilities to employees to strengthen their commitment to improving organizational performance. As a result, their employees will have a better work attitude, be more productive, and lower their revenue rate. Employees are more committed and will work harder to achieve a high level of productivity, which improves company performance.

The results of Hypothesis 6 show that knowledge sharing mediates the relationship between transformational leadership and SME performance (H6=accepted). The Sobel test demonstrates that the calculated t_{observed} is 4.393, greater than the t_{table} value (1.960). The mediation coefficient value of knowledge sharing is 2.132, greater than transformational leadership's direct influence on SMEs' performance, whose coefficient value is 1.015. Therefore it can be stated that knowledge sharing mediates the relationship between transformational leadership and performance.

Mediating knowledge sharing enables food and beverage SMEs improve performance by comparing coefficient values. Knowledge management allows organizations to gain a competitive advantage and improve performance by creating, sharing, and applying knowledge (Afriyie et al., 2020; Choi et al., 2016; Martins et al., 2019; Lei et al., 2020; Sudibjo and Prameswari, 2021). Knowledge sharing can improve business productivity if properly implemented. Leaders' attitudes influence knowledge sharing and organizational learning (Kim and Park, 2020). (Al Kurdi et al., 2018). (2018). Knowledge sharing fosters leadership (Bradshaw et al., 2010). (2015). According to Han et al. (2016) believing that managers must share knowledge to advance their companies. Participatory decision-making allows leaders to gather more employee ideas, opinions, suggestions, and solutions (Rawung et al., 2015). Leaders are likely to make the right decision and implement the best solution. If the company has a knowledgeable leader, the company's productivity will increase by developing cutting-edge methods and innovations. The

results of hypothesis 7 show that transformational leadership and SME performance are mediated by commitment (H7=accepted). Sobel test shows that the $t_{observed}$ of 2.442 is greater than the t_{table} (1.960). The commitment mediation coefficient is 3.660, greater than transformational leadership's direct effect on operational performance (1.015). Therefore, it can be concluded that commitment mediates the relationship between transformational leadership and performance.

When the coefficient values are compared, commitment mediation is shown to be more effective when used by food and beverage SMEs to improve their performance. Furthermore, several studies show that employee commitment plays a significant role in a company's success. According to Sungu, Weng, and Xu (2019), commitment significantly impacts performance. As a result of the study's findings, SME leaders should provide employees with adequate resources, facilities, training, and responsibilities to strengthen their commitment to improving organizational performance. Employees with a high commitment to the company will exhibit positive behaviour toward the organization, give their all, sacrifice, and strongly desire to stay working in the organization.

A leader dedicated to realizing the company's vision and mission will increase SMEs' productivity, and a leader who inspires his team members to share that vision and mission will inspire them to do their best work. Therefore, a leader's attitude and behaviour at work can make a difference in SMEs' success. Based on hypothesis testing, hypothetical results can be shown in table 8 as follows:

Table 8: Summary of hypothesis testing

Hypothesis	Remarks
H1 : Transformational Leadership → SMEs' Performance	Support
H2: Transformational Leadership → Knowledge Sharing	Support
H3: Transformational Leadership → Commitment	Support
H4: Knowledge Sharing → SMEs' Performance	Support
H5: Commitment → SMEs' Performance	Support
H6: Transformational Leadership → Knowledge Sharing → SMEs' Performance	Support
H7: Transformational Leadership → Commitment → SMEs' Performance	Support

6. Conclusion

According to the research findings, the relationship between transformational leadership and the performance of SMEs is mediated by knowledge sharing and commitment. Thus, sharing knowledge and commitment improves SMEs, especially food and beverage SMEs. Leaders can play a key role in improving their SMEs by sharing their knowledge and commitment. Therefore, A knowledgeable, committed, and inspiring leader can motivate and inspire employees and improve companies' performance.

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