

Transformational Leadership and its Impact Pathways on Organizational Outcomes in the Tourism Industry

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Abstract. This study investigates the impact of transformational leadership on organizational performance in the tourism sector, with job satisfaction and employee performance examined as mediating mechanisms. Data was collected from 158 employees and managers in the tourism industry through a survey methodology. The results of structural equation modeling indicate that transformational leadership significantly and positively influences both job satisfaction ($\beta = 0.815$, $p < 0.001$) and employee performance ($\beta = 0.831$, $p < 0.001$). Furthermore, employee performance emerged as a strong predictor of organizational performance ($\beta = 1.299$, $p = 0.002$), while job satisfaction had a negative effect ($\beta = -0.466$, $p = 0.042$). The findings highlight the critical role of transformational leadership in fostering a satisfied and high-performing workforce, which ultimately enhances organizational outcomes in the tourism sector. Theoretical and practical implications for leadership development and performance management in tourism organizations are discussed

Keywords: Transformational Leadership, Organizational performance, employee performance, job satisfaction, tourism industry

1. Introduction:

In today's dynamic and competitive business environment, organizations are continually seeking strategies to enhance their performance and sustain their competitive advantage. Transformational leadership plays a pivotal role in shaping organizational culture, driving change, and fostering innovation. Among various leadership styles, transformational leadership has garnered significant attention for its potential to drive organizational performance through inspiration, vision, and empowerment. Furthermore, as a result of the COVID-19 pandemic, the tourism industry faced numerous challenges in 2020. Furthermore, alongside efforts to address challenges and mitigate the spread of the epidemic, there has been an endeavor to reorganize the tourist market (Chen et al. 2020). Given the circumstances, it is imperative to prioritize the enhancement of human resources to adequately prepare for the future implementation of sustainable tourism development strategies. Similar to other sectors, the field of human resources possesses the essential expertise and abilities that significantly contribute to the advancement of tourism products and travel services. This factor is also regarded as a crucial determinant that enhances competitiveness and longevity in the tourism market for businesses, localities, and tourism industries within each country (Carnevale & Hatak, 2020). In numerous regions with flourishing tourism sectors, the availability of human resources poses a persistent challenge due to the scarcity of skilled labor, particularly in direct service roles. There exists a significant disparity between the current workforce in the hotel industry and the projected labor demand in the future. There is a growing demand for enhancing the caliber of human resources and promoting transparency in the job market. Selecting the appropriate personnel poses a significant obstacle. The intense competition for personnel in the industry will result in employees' inclination to resign and switch jobs, which will have an impact on various aspects of tourist operations, including business operations, financial costs, human resource management, and employee cohesion (Zavei & Jusan 2012). Post COVID-19 pandemic, the tourism sector will continue to encounter numerous challenges. Now is the opportune moment for leaders in the tourism industry, including travel agencies, hotels, restaurants, transportation services, and entertainment venues, to retain their employees, motivate them to exert maximum effort, collaborate with the business to overcome obstacles, and establish favorable conditions for the eventual return of tourists post-pandemic. Within that particular framework, leadership and how it is exercised are the pivotal elements that enable businesses to surmount challenges. Research indicates that being an effective leader requires significant dedication, expertise, competencies, and particularly a well-defined leadership approach. A significant number of individuals struggle with team management due to a lack of awareness regarding a crucial aspect: they establish excessively demanding expectations for new employees or restrict the autonomy and creativity of competent employees. This results in subordinates lacking confidence in the leader and being reluctant to obey, while also inhibiting their ability to develop fully their potential. Hence, in order to harness the human capital of the team or organization, namely the talent, intellect, and enthusiasm of employees, the leader must comprehend the distinct nature of leadership and possess the ability to effectively guide and manage employees or teams in practical situations. Prior research has shown that transformational leadership is effective in promoting employee satisfaction and motivation in the tourism sector (Mittal & Dhar, 2016; Vargas-Sevalle et al., 2020). Nevertheless, these studies have not yet elucidated the precise correlation between these factors.

However, despite the widespread recognition of transformational leadership's importance, there remains a gap in understanding its precise impact on organizational performance across different sectors, industries, and cultural contexts. Existing research provides valuable insights into the theoretical underpinnings and potential benefits of transformational leadership. Still, there is a need for empirical evidence to comprehensively assess its effectiveness and the mechanisms through which it influences organizational outcomes.

2. Literature Review

Leadership is directly linked to employee satisfaction and work motivation. Furthermore, research conducted primarily centers on the determinants that influence work motivation (Bích & Tuấn, 2013) or the factors that influence employee satisfaction. Nevertheless, there is a scarcity of research examining the correlation between the elements of transformational leadership, job satisfaction, and employee performance. Hence, the objective of this study is to assess the impact of transformational leadership elements on employee satisfaction and motivation within the challenging circumstances of a volatile social, economic and political environment. Transformational leadership is the leader's ability to motivate followers to rise above their personal goals for the greater good of the organization (Elbaz & Haddoud, 2017). The transformational style of leadership is believed to originate from deeply ingrained personal values that are non-negotiable and resonate with subordinates' moral obligations and values. Transformational leaders surpass transactional leadership by being visionary, articulate, confident, and capable of inspiring others to exceed their typical performance objectives. Transformational leaders strive to activate the latent or inactive needs of their subordinates. Intellectual stimulation refers to the enhancement of cognitive growth in followers, which happens when a leader stimulates them to think in novel ways and emphasizes the importance of problem-solving and logical reasoning before making decisions or taking action. The concept posits that the implementation of the transformational leadership approach can assist tourism organizations in surmounting the obstacles presented by the changing environments through the promotion of collaborative efforts, the exchange of viewpoints, and the proficient management of crises. Relationship theories, or transformational theories, center on the establishment of connections between leaders and followers (Khan et al., 2020). According to these theories, leadership is the act of a person effectively interacting with others and establishing a strong bond that leads to enhanced motivation and ethical behavior in both followers and leaders. Relationship theories are frequently juxtaposed with charismatic leadership theories, wherein leaders possessing specific attributes, such as self-assurance, outgoingness, and well-defined principles, are considered most effective in inspiring their followers (Lamb, 2013). Relationship or transformational leaders motivate and inspire individuals by assisting groups of members in comprehending the significance and elevated objective of the task. These leaders prioritize not only the performance of individuals but also their capacity to reach their full potential. Leaders who adopt this style typically uphold elevated ethical and moral principles (Cherry et al. 2012). In their study, Xian et al. (2020) investigated the correlation between transformational leadership and the alleviation of work-related uncertainties and ambiguity among employees in uncertain environments. The findings revealed a robust and statistically significant association between transformational leadership and the reduction of uncertainty among employees. Furthermore, the findings also indicated that supervisor engagement enhanced employee morale as a factor that contributes to the reduction of ambiguity and uncertainty. According to Andreani and Petrik (2016), when a leader comprehends the distinctions among employees and effectively acknowledges their work, the employees will experience satisfaction as they feel individually appreciated. Kreitner and Kinicki (2007) discovered that employees have a strong affinity for their jobs when they are appropriately assigned tasks that align with their expertise and contribute to the organization. Job satisfaction and dissatisfaction are influenced by both the characteristics of the job itself and the expectations that employees have regarding their jobs (Mahmoud 2008). Job satisfaction is a multifaceted phenomenon influenced by various factors including salary, working environment, self-control, communication, and organizational commitment. Naeem and Khanzada (2018) elucidated that leadership style exerts a potent influence on employee job satisfaction, and distinct leadership styles also affect job satisfaction and employee motivation. Shafi et al. (2020) show a positive relationship between transformation and employee creativity, while Zareen et al. (2015) concluded that among three types of leadership styles (transactional, transformational, and laissez-faire), the transactional leadership style has the strongest impact on employee motivation. Mao et al. (2020) examined the influence of leadership style on employee self-efficacy, hope, resilience, and optimism in

the tourism industry. They specifically focused on how employee satisfaction with corporate COVID-19 responses is affected by leadership style. The data obtained from a sample of 505 travel agents in Egypt, as reported by Elbaz and Haddoud (2017), indicate that not all leadership styles have a favorable impact on employee satisfaction. Their study additionally demonstrates that the cultivation of wisdom leadership results in a beneficial impact. The creators of the questionnaire aim to gather comprehensive information on various leadership behaviors, ranging from avoidance to idealized leadership. Additionally, the questionnaire is designed to distinguish between effective and ineffective leaders (Puni et al., 2018).

2.1. The power of transformational leadership

Bass (1985) was the first scholar to develop the transformational leadership theory, focusing on the potential impact of a leader on their followers. Bass (1985) developed his theory by differentiating between transactional and transformational leadership frameworks. Transactional leadership primarily emphasizes providing monetary incentives in return for increased productivity. Transformational leadership is an extension of transactional leadership that focuses on a leader's capacity to facilitate the growth and development of their employees, enabling them to become leaders in their own right. This development within followers often occurs through leaders guiding them through aligned objectives and goals, while also empowering and responding to personal needs (Bass & Riggio, 2006). While conducting his analytical studies, Bass observed and classified four primary components (4I's) that differentiate transformational leadership from other styles of leadership. The four components mentioned are Idealized Influence, Inspirational Motivation, Intellectual Stimulation, and Individualized Consideration, as identified by Bass in 1985.

The Significance of Leadership in Business Within an academic framework, the term "leadership" can frequently pose challenges when providing a precise definition. Indeed, it is possible to discover numerous distinct, scholarly interpretations of "leadership" and the specific criteria for its examination at any given moment. With this in mind, it is integral to narrow the search into basic and palpable terms, as well as how this concept fits into the business world. Stogdill (1950) takes this explanation a step further and expands the execution of leadership into three parts. Initially, it is imperative to have a collective consisting of a minimum of two individuals. Furthermore, it is imperative that this group actively pursues a shared objective or area of focus. Additionally, individual members of the group must be allocated distinct roles and duties. Stogdill's (1950) definition serves to connect the concept of leadership in a broad sense to its crucial role in the realm of business. According to the provided parameters, leadership within a company can be defined at various levels within the organization. Whether it be supervisors of a shift, directors of a project, upper management, or the CEO of the business in its entirety, people are constantly implementing different contexts of leadership theory across every level of decision-making within a firm. Each of these positions holds the significant authority to influence and direct employees to enhance the company's environment, whether it is in terms of organization, finances, or innovation (Walumbwa et al., 2017). The competencies and aptitudes of individuals in a leadership role are what ultimately guide the trajectory of a company's performance, exerting both direct and indirect influence (Shafique et al., 2019). Efficient leadership is essential for the growth and sustainability of a business, as well as for facilitating organizational transformation. When leaders adopt a vision, strategy, and environment that encourages a specific change in direction, employees are more inclined actively to participate in this transformation. In conclusion, leadership is crucial in the field of business. The efficacy of individuals in positions of authority at every level within a company's hierarchy is directly and indirectly linked to the overall prosperity of the business.

2.2. Job Satisfaction

Job satisfaction is a complex concept influenced by various factors including salary, work environment, additional perks, utilization of skills, empowerment, independence, communication, flexibility, training and development, and organizational dedication. These factors contribute to higher employee retention rates (Fisher, 2002). When employees are allowed to select their preferred workplace, it significantly affects their inclination to remain in their current position within the company, which is a crucial aspect of job satisfaction (Lane, 2010). Enhanced employee satisfaction positively impacts their capacity for creativity and productivity, and is furthermore associated with employee retention. Prior research has extensively examined the concepts of organizational commitment and job satisfaction, establishing a connection between the two. It has been demonstrated that job satisfaction positively influences organizational commitment, which in turn contributes to employee retention (Namasivayam, 2007). Prior research has established a correlation between organizational commitment and job satisfaction. Insufficient contentment and dedication within a business are likely to result in employee attrition. The primary factors that influence retention are low salaries and insufficient work satisfaction. Job dissatisfaction is also marked by inadequate managerial support, a lack of respect, and a lack of motivation. Employment satisfaction can be defined as the positive emotional state that arises from assessing one's job as fulfilling or contributing to the attainment of one's job values (Al-Hussami, 2008). Frederick Herzberg was an innovator in the domain of work restructuring in relation to motivation and contentment (Herzberg, 1959). Herzberg and his colleagues initiated their initial research on factors that affect satisfaction in the mid-1950s. They began by conducting a comprehensive assessment of prior research on the matter up until that time (Herzberg, 1957). As a result of this analysis, Herzberg conducted a well-known survey of 200 accountants and engineers, from which he obtained the data for his theory. The hypothesis and supporting evidence were first published in 1959 by Herzberg. Later, in 1966, Herzberg further developed and expanded upon these ideas in a subsequent book. Herzberg's study revealed that employees expressed a preference for defining pleasant experiences based on essential aspects of their job's content. These factors were labeled as "motivators" and encompassed variables such as achievement, reward and recognition, acknowledgment, the nature of the task, responsibility, respect, progress, and growth. Conversely, dissatisfying experiences, referred to as "hygiene" variables, primarily stemmed from external, non-work-related factors such as corporate policies, compensation, interpersonal dynamics with colleagues, and managerial approaches. According to Herzberg's findings, it was suggested that eliminating the factors that cause dissatisfaction (through hygiene considerations) would not lead to a state of satisfaction. Instead, it would lead to a state of neutrality. According to Steers (1983), satisfaction and motivation can only be achieved using motivators. The presence of motivating factors can enhance satisfaction, while the absence of hygienic factors can result in dissatisfaction. However, it is important to note that these two variables are not opposite to each other. Workplace motivation, as conceptualized by Herzberg, pertains to the deliberate engagement in work-related activities driven by personal incentives (Herzberg, 1957). Herzberg's study identified the key factors that underlie his theory of job satisfiers as follows: The factors that contribute to job satisfaction include achievement, recognition, the nature of the work itself, responsibility and empowerment, advancement, and growth opportunities. Herzberg's theory for job dissatisfaction includes the following key factors: company policy, supervision, work conditions, salary, job security, and interpersonal relations (Ozguner, 2014). Motivational factors, referred to as satisfiers, are factors that are known to motivate individuals. On the other hand, hygiene factors are factors that are described as causing dissatisfaction (Herzberg, 1974). Leaders are the core and trigger of motivation for employees.

Job satisfaction is crucial for enhancing motivation, which in turn results in higher productivity and employee retention (Chaudhury, 2015). The aforementioned statement also applies to responses influenced by external factors; negative replies do not necessarily imply dissatisfaction (Kulchmanov, 2014). Job satisfaction has a significant impact on future

performance of organizations when individuals actively participate in their work. Additionally, higher levels of performance not only enhance individuals' sense of fulfillment and commitment but also contribute to increased employee retention. A series of occurrences is undeniably consistent with a mindset focused on personal development and progress. In order to achieve high levels of performance, employees must possess positive attitudes, such as satisfaction and motivation. The study revealed a significant correlation between attitudes, specifically satisfaction and participation, and performance (Al-Hussami, 2008). Studies suggest that various environmental factors can be established and maintained to enhance employee job satisfaction (Velnampy, 2008). Research suggests that factors such as pay and benefits, communication, motivation, responsibility, flexibility, use of skills, empowerment, training, and development, and work conditions (including work environment, working hours, and recreation activities) all play a role in determining employee satisfaction (Velnampy, 2008). Employers should actively discourage employee attrition and prevent them from seeking employment elsewhere. This is indeed accurate as a result of the evident and substantial costs associated with recruiting and retraining fresh staff members. According to Ernest (2008), the most effective strategy for retaining employees is to offer them work satisfaction and opportunities for career advancement. Leaders are the agents to generate employee satisfactions.

2.3. Employee Performance

Employee job performance has always been an important concern for managers of organizations (Kelidbari, Dizgah, & Yusefi, 2011). Employee performance is a crucial foundation of an organization. Therefore, organizations must carefully examine the factors that contribute to high performance to achieve success (Abbas & Yaqoob, 2009). In a study titled "The Effects of Internal Marketing, job satisfaction, and Service Attitude on job performance among high-tech," Lee et al. (2011) defined job performance as the overall performance of workers in meeting the expected value and accomplishment of tasks within the organization's specified procedures and time constraints. Liao et al. (2012) define job performance as encompassing criteria such as promotions, layoffs, incentives, penalties, evaluations, and salary adjustments. It also fulfills the requirements for employees to achieve self-actualization. Ahmad and Khurram (2011) contend that employee performance reflects the overall perception of the staff regarding their conduct and contributions to the organization's success. Employee performance is the overall perception that an employee has regarding their behavior and contributions toward achieving the organization's goals. They also mentioned that compensation practices, performance evaluation, and promotional practices play a significant role in determining employee performance. Anitha (2013) defines employee performance as a measure of the financial or other results achieved by an employee that directly impact the organization's performance and success. Anitha also identifies several key factors that influence employee performance, including the work environment, leadership, teamwork, relationships with colleagues, training and career development opportunities, reward programs, guidelines and procedures, and employee engagement. Nevertheless, a study conducted by Alagaraja and Shuck (2015) sought to uncover dominant perspectives on organizational hierarchy and employee engagement in order to comprehend the factors linked to improving individual performance. The study argues that employee performance can be elevated through training and development. In addition, Thomas and Feldman (2010) utilized employee performance measures that encompass core task performance, such as in-role performance, safety performance, and creativity. They also considered citizenship performance, which includes both target-specific and general organizational citizenship behaviors. Lastly, they examined counterproductive performance, encompassing general counterproductive work behaviors, workplace aggression, substance use, tardiness, and absenteeism. Hence, the performance of employees contributes to the overall performance of the company by

fostering innovation. Specifically, when employees are motivated, satisfied, and dedicated, they generate innovative ideas for new products or services. This, in turn, leads to improvements in quality, operational efficiency, and customer satisfaction (Sadikoglu & Cemal, 2010).

Ruky (2011) defines performance as a business activity or program initiated and implemented by organizational leadership to direct and control employee performance. According to Mangkunegara (2009), performance refers to the outcome of an employee's work in terms of both quality and quantity, as they fulfill their assigned responsibilities. As mentioned earlier, the subpar performance of an employee will adversely affect the overall organizational performance. Stated differently, the performance of employees can serve as an indicator of the overall performance of the organization. Etymologically, the term "performance" is derived from the word "performance" itself. (Astuti, 2021) Performance can be defined as the outcome of a process (Sumarsi, 2021) or the degree of achievement of an individual or a group in fulfilling their responsibilities within a specific timeframe, encompassing both the quality and quantity of their work. Performance is evaluated based on outcomes rather than the efforts exerted by individuals. This evaluation focuses on how effectively individuals can fulfill the requirements of their work (Hosmani & Shambhushankar, 2014). Based on the aforementioned definition, it can be inferred that employee performance is the outcome of an employee's overall work or work during a specific timeframe, encompassing both quality and quantity, according to predetermined and mutually agreed upon standards. Various factors have an impact on employee performance. This study focused exclusively on transformational leadership as a factor to boost employee performance. Praditya (2019) asserts that performance is the outcome of work that is closely linked to the strategic objectives of an organization, customer satisfaction, and contributes to the economy. Performance refers to the execution of tasks and the outcomes derived from those tasks. According to Asbari (2021), performance can be defined as the outcome of the work accomplished by individuals or groups within an organization. This work is carried out within the boundaries of their assigned authorities and responsibilities, with the aim of attaining the organization's objectives. It is important to note that this performance should adhere to legal requirements, avoiding any violations of the law and should align with moral and ethical standards.

2.4. Performance of the Tourism Organization

The concept of performance is multifaceted and its interpretation varies depending on the viewpoint and requirements of the user (Lebas, 1995). Historically, the evaluation and quantification of a company's success have been predominantly based on accounting metrics (Jennings & Seaman, 1994). The literature on business performance measurement (Kaplan & Norton, 2001; Otley, 1999) indicates that managers tend to give less importance to conventional financial indicators like return on investment or net earnings when monitoring their firms' performance. Accounting/financial performance is a theoretical concept, while business performance is a more complex concept. Otley and Fakiolas (2000) challenge the use of accounting performance measures and propose alternative approaches that prioritize broader aspects of business performance evaluation, such as the Balanced Scorecard (BSC), which goes beyond accounting considerations. According to Hoque (2005), the development of new methods for measuring performance is motivated by the evolving business landscape, which exposes the limitations of traditional performance metrics that fail to accurately represent actual company performance. In most cases, the term "performance" refers to measurements like profit, costs, and market share (Laitinen, 2002). Nevertheless, Sink and Tuttle (1989) emphasize that performance should not be exclusively regarded as a financial concept. Hence, it is recommended that non-financial performance be given significant attention, especially in the service industry (Kaplan & Norton, 1992). The claim is widely supported by the academic community. Nonfinancial performance measures, such as customer satisfaction, internal business process efficiency, innovation, and employee satisfaction, are believed to contribute to a firm's long-term success and improved organizational performance. This

viewpoint is supported by various studies conducted by Kaplan and Norton (1996, 2001, Otley (1999), and Van VeenDirks & Wijn (2002). Laitinen (2002) proposes that both financial and non-financial measures should be combined in a single framework, allowing managers to assess performance across multiple areas simultaneously, and facilitating effective strategic decision-making. Furthermore, Law, Pearce, and Woods (1995) advocate for the utilization of nonfinancial performance indicators due to the labor-intensive and customer-centric nature of tourism establishments. Nevertheless, it is important to recognize that some recent studies examining the relationship between the utilization of non-financial performance indicators and company performance have yielded inconsistent results (Banker, Potter, & Srinivasan, 2000). These contradictory results can be attributed to the fact that previous research failed to consider environmental uncertainty, despite its presence in the business environment (Hoque, 2005). Hence, it is recommended that current and future researchers remain aware of the circumstances in the business environment while utilizing non-financial performance indicators.

2.5. The performance of an organization and the leadership environment

An organization's capacity to respond and adapt to changes in the external environment has a significant impact on its ability to achieve high-performance levels. Performance in literature pertains to the extent to which an organization, functioning as a social system, accomplishes its goals using specific resources and methods (Tannenbaum & Schmidt, 2009). Every organization aspires to continuous development, and it is crucial to acknowledge that the performance of the organization is linked to the performance of individual team members at the organizational level. To achieve success, three essential aspects must be considered, as identified by Horga (2012): -Economic efficiency: Every organization aims to achieve its objectives using minimal resources. -Satisfaction of customers: Achieving superior outcomes with limited resources, while surpassing customer expectations. - Satisfaction of employees: The effectiveness of the leadership process relies on the leader's capacity to energetically guide the working team by addressing the individual needs of each team member. The literature review states that leadership establishes a connection between individual performance and organizational efficiency (Horga, 2012). Within this context, it is crucial to emphasize the leadership style employed by leaders, as the attainment of goals that drive the entire team's performance hinges on how it is executed. Effective leaders must establish a conducive internal atmosphere to facilitate the attainment of organizational objectives. The role of the client in this approach should not be overlooked. Therefore, a contented customer is one whose expectations have been fulfilled. The correlation between leadership and organizational performance is becoming more apparent, as leaders have a significant impact on the performance of the organization through various means (Horga, 2012): - Ensures diligent endeavors are undertaken to attain the proposed objectives; - Orchestrates employees' endeavors, leveraging their expertise, irrespective of formal protocols, to accomplish the goals; - Enthusiastically inspires employees to attain the desired outcomes. Performance levels encompass the development of a congenial work environment, fostering positive relationships and communication within organizations, and emphasizing a favorable work ethos (Horga, 2012). An environment characterized by prevailing positive emotions and the promotion of compassion and gratitude can only result in the efficient functioning of team members' work. In addition, fostering constructive relationships by actively involving the leader in interpersonal dynamics while also nurturing a favorable perception of work at the organizational level, highlighting the collective efforts of the entire team in driving organizational performance. Positive leadership communication fosters team morale and facilitates the delivery of constructive feedback (Horga, 2012). Over time, leadership has gradually become evident and has exerted its impact on various levels, specifically: at the individual and organizational levels. At the individual level, the focus is on the leader and the connections they establish with individual followers. According to Horga (2012), leadership is defined as the reciprocal influence between a leader and their followers, where both parties have an impact on each other over some time. Currently, the leader plays

a crucial role in the success of any organization by effectively achieving its goals and creatively solving its problems. Leadership analysis at the organizational level involves defining the leader's role within the teams that are established within an organization.

After studying the gaps in the literature review, the below conceptual model was generated and hypotheses were drafted accordingly.



Fig.1: Conceptual Model developed by authors

Hypotheses of the study:

H1: The impact of Transformational Leadership on Job Satisfaction

H2: The impact of Transformational Leadership on Employee Performance

H3: The impact of Job Satisfaction on organizational Performance in the tourism sector

H4: The impact of Employee Performance on organizational Performance in the tourism sector

3. Methodology

This section will cover the goal of the study, participant selection, research design, and, in the end, data analysis. The primary goal of the study is to find out how transformational leadership impact the organizational performance in the tourism industry that is considered extremely fragile.

Based on the literature analysis, a questionnaire was designed utilizing single scales that had been previously used and verified for our study. The final version of the poll was shaped by the opinions of experts in the tourism industry. The survey's goals were outlined in an introduction letter that was supplied, along with a consent form regarding participant confidentiality and privacy. Closed-ended questions using a 5 item Likert scale (Strongly Disagree, Disagree, Neutral, Agree, and Strongly Agree)

were included in the questionnaire. Data was converted to a Google Form, and the selected sample received the link through WhatsApp. We used simple random sampling to select our responders. The choice of simple random sampling is preferred when researchers aim to obtain unbiased and representative samples from populations, allowing the study to draw valid conclusions and make reliable predictions about the population of interest. The criteria used to select the sample are the definition of the population, homogeneity, that is to ensure that Ensure that the population is homogeneous in terms of the characteristics being studied, and Utilize a truly random selection process to ensure that every individual or unit in the population has an equal chance of being selected. Moreover, we ensured the sample to be representative of the population from which it is drawn.

The research design method that was chosen for this study was the mixed method. Experts were tasked with doing a qualitative analysis of the questionnaire. On the other hand, the data was analyzed using an ANOVA test and descriptive statistics. A random selection of employees and senior managers from tourism industry made up the study's sample. The survey was sent to a sample of 320 individuals, 158 of whom replied. The testing of the hypotheses was calculated through structural equational modelling.

The descriptive statistics of the scales were as below:

Table 1: Descriptive statistics of the scales

Item Statistics			
	Mean	Std. Deviation	N
TLmean	4.3089	.38876	158
OPmean	4.4785	.35751	158
JS Mean	4.2068	.46969	158
EP Mean	4.4103	.36604	158

The scales in the study were previously used by prior research. The reliability and validity of the scales were studied using SPSS through factor analysis. First Cronbach Alpha for each scale was tested.

Table 2: Cronbach Alpha for each scale

Item-Total Statistics					
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
TLmean	13.0956	1.038	.722	.522	.803
OPmean	12.9259	1.124	.672	.544	.825
JS Mean	13.1977	.953	.641	.456	.850

Mean	12.9941	1.041	.785	.638	.780
EP					

All Cronbach Alpha coefficients were more than 0.7 which indicates high scale reliability.

The reliability of the total model was studied by calculation Cronbach Alpha. Any value of Cronbach Alpha greater than 0.7 is considered acceptable for the scale.

Table 3: Reliability test for Model prepared by Authors

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.890	.890	23

As can be seen from table 2 Cronbach Alpha was calculated for the items 0.890 which is considered high reliability value and thus we accept our pool of items.

Table 4: KMO and Barlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.782
Bartlett's Test of Sphericity	Approx. Chi-Square	300.369
	df	6
	Sig.	.000

A KMO test studies the correlation in the data of the study. In the study the value calculated of Kaiser-Meyer-Olkin Measure of Sampling Adequacy is 0.782 which is > than 0.5 with sig level 000 indicating very strong correlation in our data.

Table 5: Principal Component Analysis

	Initial	Extraction
Tlman	1.000	.722
OPman	1.000	.685
MeanJS	1.000	.625
MeanEP	1.000	.799

Communalities analysis is a process for decomposing R^2 in multiple regression analyses into the percent of variance in the dependent variable associated with each independent variable uniquely, and the proportion of explained variance associated with the common effects of predictors. As all our communalities are above than 05 then the information extracted from our study is reliable.

Structural Equation Modelling:

Since our model is considered a complex model then validating the hypothesis is more recommended to be used through structural equation modelling. Amos was used to calculate the estimates of the hypotheses. The model was interpreted to AMOS as seen in figure 2.

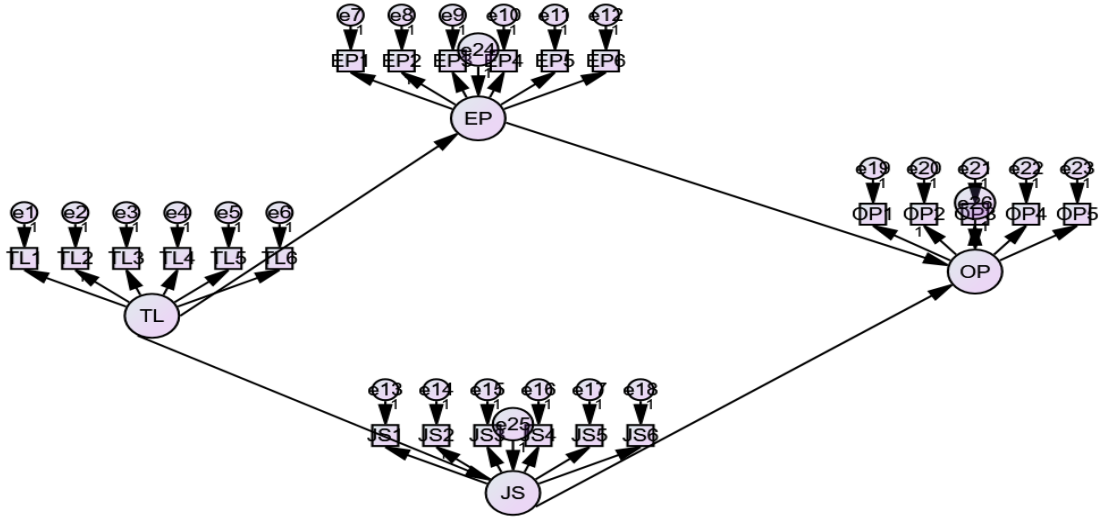


Fig.2: AMOS model to test Hypotheses

All data collected in SPSS were exported to AMOS to the model generated in figure 2 and the below model fit was calculated.

Computation of degrees of freedom (Default model)
 Number of distinct sample moments: 276
 Number of distinct parameters to be estimated: 50
 Degrees of freedom (276 - 50): 226

Result (Default model)
 Minimum was achieved
 Chi-square = 352.035
 Degrees of freedom = 226
 Probability level = .000

RMSEA

Table 6: RMSEA FOR THE MODEL

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.060	.047	.071	.097
Independence model	.154	.145	.162	.000

One of the important coefficients for the model fit is RMSEA. RMSEA is an absolute fit index, in that it assesses how far a hypothesized model is from a perfect model. RMSEA should be < 0.5 but a value between 0.5 and 0.8 is acceptable. Thus in our study the value of RMSEA is 0.06 which shows a good fit of our model.

Validation of Hypothesis:

The estimates for the hypothesis testing were calculated in table 7.

Table 7: Path analysis to test Hypotheses generated by AMOS

			Estimate	S.E.	C.R.	P Vaue
EP	<---	TL	.831	.183	4.540	***
JS	<---	TL	.815	.198	4.124	***
OP	<---	JS	-.466	.229	-2.035	.042
OP	<---	EP	1.299	.420	3.089	.002
TL1	<---	TL	1.000			
TL2	<---	TL	1.235	.232	5.335	***
TL3	<---	TL	1.323	.269	4.928	***
TL4	<---	TL	1.447	.260	5.573	***
TL5	<---	TL	1.317	.242	5.451	***
TL6	<---	TL	1.020	.222	4.590	***
EP1	<---	EP	1.000			
EP2	<---	EP	1.581	.324	4.874	***
EP3	<---	EP	1.336	.296	4.517	***
EP4	<---	EP	1.251	.285	4.388	***
EP5	<---	EP	1.527	.337	4.534	***
EP6	<---	EP	1.698	.348	4.874	***
JS1	<---	JS	1.000			
JS2	<---	JS	1.617	.367	4.405	***
JS3	<---	JS	1.929	.409	4.715	***
JS4	<---	JS	1.583	.355	4.463	***
JS5	<---	JS	2.105	.455	4.621	***
JS6	<---	JS	1.670	.365	4.572	***
OP1	<---	OP	1.000			
OP2	<---	OP	1.703	.463	3.676	***
OP3	<---	OP	1.422	.408	3.486	***
OP4	<---	OP	1.429	.409	3.492	***
OP5	<---	OP	2.226	.558	3.990	***

The first hypothesis is H1: The impact of Transformational Leadership on Job Satisfaction
The value calculated is 0.000 and thus H1 is validated.

JS	<---	TL	.815	.198	4.124	***
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The second hypothesis is H2: The impact of Transformational Leadership on Employee Performance

The value calculated is 0.000 and thus H2 is validated.

EP	<---	TL	.831	.183	4.540	***
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The third hypothesis is H3: The impact of Job Satisfaction on organizational Performance in the tourism sector

The value calculated is 0.042 < 0.05 and thus H3 is validated.

OP	<---	JS	-0.466	.229	-2.035	.042
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The fourth hypothesis is H4: The impact of Employee Performance on organizational Performance in the tourism sector

The value calculated is $0.02 < 0.05$ and thus H4 is validated.

OP	<---	EP	1.299	.420	3.089	.002
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4. Conclusion

In conclusion, this study provides empirical evidence for the significant impact of transformational leadership on organizational performance in the tourism sector. The results reveal that transformational leadership behaviors, such as inspiring a shared vision, providing individualized support, and encouraging creativity, play a vital role in enhancing job satisfaction and promoting higher employee performance levels. Consequently, employee performance emerged as a strong predictor of overall organizational performance in the tourism context.

However, contrary to expectations, job satisfaction exhibited a negative relationship with organizational performance. This counterintuitive finding warrants further investigation but could potentially be attributed to the unique challenges and dynamics of the tourism industry, where factors beyond job satisfaction may be more critical determinants of organizational success.

The study contributes to the leadership and tourism management literature by quantifying the relationships among transformational leadership, job attitudes, employee behaviors, and organizational performance using robust analytical techniques. The findings underscore the importance of developing transformational leadership competencies among tourism managers through targeted training and development initiatives. Furthermore, tourism organizations should prioritize strategies that foster a high-performing and motivated workforce as a pathway to enhanced organizational outcomes.

Limitations of this study include the use of a cross-sectional research design, which precludes causal inferences, and the potential for common method biases due to the self-reported survey measures. Future research could adopt longitudinal or experimental designs, incorporate additional variables such as organizational culture or customer satisfaction, and explore potential moderating factors that may influence the observed relationships.

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