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Transformational Leadership and Performance: Testing Mediation and Moderation in Qatari Hospitality Industry

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ABSTRACT

This study aimed to determine organisational performance with the perspective of employees' service performance by leadership in the hospitality industry. For doing so, we hypothesised the relationship of transformational leadership and employees' service performance via two roots, service climate and organisational identification. Furthermore, to examine the leadership role in service climate development and organisational identification, we used proactive personality as the boundary condition to these relationships. Data for the study was collected from a diverse range of organisations operating in the Qatari hospitality industry. Findings showed that the service climate fully mediates the relationship, while organisational identification failed to mediate the relationship. Considering the moderating effects, results suggested that strong proactive personalities will strengthen transformational leadership on service climate and organisational identification. This study als0 discussed various theoretical and managerial implications.

Keywords: Transformational leadership, service climate, organisational identification, employees' service performance, organisational performance, proactive personality, hospitality industry.

INTRODUCTION

Hospitality industry around the globe has attracted researchers and practitioners, but in the present situation of COVID-19, not only for medium organisations but also for various stable organisations to manage their organisational performance. Considering organisational performance in the perspective of employees' performance, leadership has been an inordinate concern (Tu, Bono, Shum, & LaMontagne, 2018; Dong, Bartol, Zhang, & Li, 2017; Chen, & Hou, 2016; Thibodeaux, Labat, Lee, & Labat, 2015; Sarwar et al. 2020), especially in service organisations (Bligh, Kohles, & Yan, 2018; Ponnuswamy, & Manohar, 2016; Jyoti, & Dev, 2015). Likewise, a leader is a personality that can motivate, support, direct, and change followers' behaviour. Furthermore, leaders' attributes, characteristics and relational behaviours have a substantial effect on various organisational outcomes like organisational performance (Gündemir, Carton, & Homan, 2019; Barrick, Thurgood, Smith, & Courtright, 2015) and brand image (Bravo, Montaner, & Pina, 2012). Similarly, various individual outcomes (e.g. employees' citizenship behaviour, job performance, job satisfaction, job commitment, employee's turnover) are claimed in the literature as trickle-down effects of good leadership (Koning &

Kleef, 2015, Chen et al., 2014; Xu & Cooper, 2011; Sarwar et al. 2020). Additionally, leaders are considered as a significant source to enhance employee's learning (Berson, Da'as & Waldman, 2015), employee's organisational behaviour (Koning & Kleef, 2015), employee's commitment (Wallace, de Chernatony, & Buil, 2013), organisational performance (García-Morales, Jiménez-Barrionuevo, & Gutiérrez-Gutiérrez, 2012).

More specifically, when we talk about the organisational performance in the hospitality industry, it relies on the services provided to their clients, which majorly depend on their employees. Correspondingly, the employee will only perform according to the vision, which is transferred to them and this is the point where transformational leadership comes into play because "*transformational leaders have the ability to transform organisations through their vision for the future, and by clarifying their vision, they can empower the employees to take responsibility for achieving that vision*" (Kim, 2014) Although various studies provide evidence that leadership has numerous positive outcomes in an organisational perspective (Koning & Kleef, 2015, Chen et al., 2014; Xu & Cooper, 2011). However, a specific leadership type (transformational leadership) is not under the limelight, especially in the hospitality industry. Therefore, more empirical evidence is required to validate the role of transformational leadership in the performance of organisations involved in the hospitality business and unearth this relationship's underlying mechanisms.

Thus, this study draws the relationship between transformational leadership and organisational performance via two roots. First, we build on social identity theory (SIT: Ashforth & Mael, 1989) that organisational identification mediates between transformational leadership and organisational performance. Second, we draw on social information process theory (SIP: Salancik & Pfeffer, 1978) that service climate mediates between transformational leadership and organisational performance. Moreover, we also put a proactive personality as a boundary condition to transformational leadership with organisational identification and service climate. This boundary condition further explores the mediated relationships, and we believe that proactive personality strengthens these relationships.

Further, this study is conducted in Qatar's hospitality industry because of its significant contribution to the Qatari gross domestic product (GDP). According to a report, the Qatari hospitality industry contributed 61.4 billion Qatari Riyal in the country's GDP and is expected to rise this contribution up to 199.3 billion Qatari Riyal by 2028 (Amna, 2020).

This study contributes in two perspectives. First, from an organisational perspective, it validates the relationship between transformational leadership and organisational performance in a worlds' stable economy (Qatar). Second, from an individual perspective, it explores leaders' relationship with their employees and how this relationship is affected by leaders' abilities. Further, this study also explains how employees' personality moderates the relationship of leaders and employees. Furthermore, this study contributes to the literature of transformational leadership by investigating the constructs of leaders, organisations, and employees in a unified model. Finally, the study also provides insights to the practitioners specifically in the hospitality industry that how leaders can modify the organisational outcomes by their transformation abilities, which will help the development and management of human resource policies.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Transformational leadership and organisational service performance

Transformational leaders use an approach to transforming organisational objectives and vision into employees by motivating them to make their performance aligned with the organisational objectives (Buil, Martínez & Matute, 2019). Furthermore, effective management of organisational policies needs strong transformational leadership. As "*transformational leaders have the ability to transform organisations through their vision for the future, and by clarifying their vision, they can empower the employees to take responsibility for achieving that vision"* (Kim, 2014). Transformational leaders majorly work on two behaviours, which are inspirational motivation and idealised influence (Bass, 1990). Concisely, the idealised influence is known as "Charisma" is defined as leaders' ability to portray morality and ethicality by their behaviours. Therefore, such abilities make them confident and role models for their followers. Another ability of transformational leaders is to inspire their followers. They inspire followers by motivating them towards a specific thing or objective. In result, these behaviours of transformational leaders in various positive change in their employees' behaviour.

It has been proven that transformational leadership plays a critical role in organisational perspective. This study is only focused on the organisational service performance in the hospitality industry. Like other services sectors, the hospitality sector also relies on their employees' performance and the services delivered to its clients. Therefore, service performance is considered the imperative construct was driven by the leadership of an organisation as service performance is defined as proficiency of task performed to deliver the specific service (Aryee et al., 2016) and it also includes the delivery of promised and creative services (Liao & Chuang, 2007).

Moreover, among all leadership styles, transformational leadership has been found the most influential style to determine employees' positive behaviours, especially in the services sector (Mackenzie et al., 2001). According to Yukl (1999), transformational leaders can take their followers to that level of motivation. They start thinking beyond their self-interest and perform with high standards and creativity to achieve organisational goals. Furthermore, Rafferty and Griffin (2004) also proven this level of motivation that followers' values, attitudes, and beliefs are aligned with organisations by this motivation. In result, organisational performance boosts up by service performance of their employees. Several studies have evidenced the favourable outcomes of transformational leadership; for example, Judge and Piccolo (2004) argued that transformational leadership and organisational performance are positively interrelated. Similarly, transformational leadership also positively affects various dimensions of organisations (Piccolo & Colquitt, 2006). Therefore, based on the above arguments, we stated our first hypothesis as:

H1: Transformational leadership positively affects organisational service performance.

Transformational leadership and organisational identification

The literature has argued that transformational leadership plays a critical role in shaping employees' specific behaviours (Bligh, Kohles, & Yan, 2018; Sarwar et al. 2020). As earlier noted, transformational leaders motivate and inspire their followers so that employees behave beyond their self-interest and act with accordance with leaders transferred vision (Buil, Martínez & Matute, 2019). Transformational leaders display their behaviours according to morality and ethicality, which make them followers' role model. As a result, they blindly start

following their leaders who provide the aid to leaders in transforming organisational vision into employees' self-vision, because followers link the organisation and leaders with their identities and feel proud to work for them (Ghadi, Fernando, & Caputi, 2013). According to SIT, when people get impressed and inspired by someone, they try to be like him (Mael & Ashforth, 1992). This inspiration develops psychological bonds between the leader and the follower, which drives followers to work according to their expectations. Therefore, grounding on SIT, we proposed that organisational identification that becomes the social identification on later stages of affection with organisations and leaders can be developed through transformational leadership. This argument drove us to state our second hypothesis as:

H2: Transformational leadership positively affects organisational identification.

Organisational identification and organisational service performance

Employees use organisational identification to get recognised in their social groups, and they want people to know them by their organisations in which they work. Therefore, Mael and Ashforth (1992) argued that organisational identification is social identification where people feel proud to define themselves as part of any organisation or group. Several studies have been validated organisational identification as the predictor of numerous positive outcomes like job satisfaction (Park & Park, 2018), organisational commitment (Nguyen, Pham, & Bui, 2020), employees' turnover (Akgunduz & Bardakoglu, 2017), employees' performance (Lu et al., 2017), and work engagement (Demirtas et al., 2017). Concisely, based on SIT, we argued that when employees idealise their organisation and use their organisation as a social symbol to define themselves, the organisation becomes their identity. To, maintain this identity with the organisation, employees work with dedication, creativity, and according to the organisation's standards, which ultimately boost the organisational service performance. Thus, based on the above discussed theoretical and empirical evidence, we proposed that employees' organisational identification will positively affect organisational service performance. Therefore, we started our third hypothesis:

H3: Organisational identification positively affects organisational service performance.

Organisational identification as a mediator

Identification is conceptualised as the inclination of someone to be recognised as a member of a social or professional group (Ashforth & Mael, 1989). Mainly, organisational identification incorporates the level at which employees align their organisational values and attributes to define themselves (Dutton et al., 1994). Likewise, organisational identification drives employees to psychologically think that attributes of the organisation are identical to their attributes (Ciampa et al., 2019). Similarly, strong identification develops employees' mindset that they and their organisations are not apart from each other, and this mindset drives them to have a permanent favourable organisational concept (Buk, 2017). Therefore, strong identification will stimulate employees to behave according to organisational expectations (Ciampa et al., 2019).

This study demonstrates that transformational leadership strongly predicts organisational service performance and organisational identification provides the mediational mechanism in this relationship. As earlier noted, transformational leadership positively affects organisational identification (Bai, Lin, & Li, 2016). Moreover, leadership shapes followers' identity, ultimately influencing their behaviours (Ding, Zhang, Sheng, & Wang, 2017). Moreover, transformational leaders display such behaviours to their followers, which alter their self-concept and

identification. According to Bass (1990), employees' needs and development are the main focus of transformational leaders. In concern of this focus, they work as mentors, which help their followers get motivated and align their work with the organisational vision.

As literature has shown the positive link between transformational leadership and employees' affection and identity with the firm (Kark et al., 2003). Therefore, we believe that transformational leadership will predict employees' organisational identification. In result, organisational service performance will be boosted through employees' organisational identification. As Dutton et al. (1994) argued, employees with strong identification are inclined towards an organisation with positive attitudes. According to SIT, belongingness of people to a specific and idealised group increases their self-esteem, and they feel pride to be connected with that specific group (Hogg & Turner, 1985; Tajfel, 1978).

In this perspective, this pride of employees drives them to put more efforts into the organisation (Walumbwa, Avolio, & Zhu, 2008). Moreover, strong identification with an organisation also keeps employees' actions favouring the organisation (van Dick et al., 2008). Concisely, employees' favourable actions keep them more focused on their performance and perform their duties extraordinarily with creativity (Walumbwa et al., 2008, 2011). Therefore, based on SIT, we argued that by idealising the organisation's image transformed by their leaders, employees make their identity with the organisation, which gives them the social pride and self-esteem. To maintain this pride and self-esteem, employees put more effort into their services and stay more focused on their performance, which ultimately boosts the organisational service performance. Thus, we developed the fourth hypothesis as:

> H4:Organisational identification positively mediates the relationship between transformational leadership and organisational service performance.

Transformational leadership and service climate

Leadership literature has witnessed that leaders play an imperative role in developing and managing the work environment (Hong et al., 2013). Moreover, in the service sector, the service climate primarily depends on leaders because they are the authentic and primary sources of work-related information (Walumbwa et al., 2010). Likewise, in the services sector, employees frequently interact with their leaders; therefore, they majorly rely on their leaders (Liao & Chuang, 2007). Based on SIP, we build an argument that as leaders in the services sector, they are the primary sources of information. They also behave as the organisation's face with employees; therefore, employees perceive the organisational practices and policies. After developing perception about the organisational policies and practices transformed by leaders, a specific service environment develops as the transformed vision and practices are perceived (Griffin, 1983; Mayer et al., 2007). Thus, we believe that transformational leadership will substantially affect the service climate in the hospitality industry. Therefore, fifth hypothesis is:
H5: Transformational leadership positively affects service climate.

Service climate and organisational service performance

As earlier noted, service climate can be referred to an environment at the workplace where employees perceive the organisational practices, policies, and procedures of customer services in a similar manner (Liao & Chuang, 2007). Moreover, it includes employees' consensus on how their organisation value the service quality, service delivery procedures, and other operational procedures at the workplace (Hong et al., 2013). Therefore, it is argued that service climate

works as a social-cognitive phenomenon that represents the nature of work environment and leaves a perception about the organisation in the mind of employees who work over there (Schneider et al., 1998). When employees share their perceptions and experiences of the work environment, it becomes symbolic for the organisation how things work in the workplace. Based on the SIP, we build an argument that service climate develops an environment where employees share their perceptions and experience about the work environment, which makes them aware of the workplace norms and values. After getting to know the workplace processes and practices, employees get aware of all procedures and consequences of any particular practice. In result, they perform according to their perception about the workplace. Therefore, the sixth hypothesis is:

H6: Service climate positively affects organisational service performance.

Service climate as the mediator

Transformational leaders display their behaviours to represent the organisational vision and transform this vision to employees (Bligh, Kohles, & Yan, 2018). In this transformation process, leaders disseminate various types of information regarding organisational policies, procedures and practices (Buil, Martínez & Matute, 2019). As leaders are primary sources of information, leaders disseminate information to develop employees' perception about the workplace environment, especially in the services sector. Therefore, on the SIP grounds, we argued that transformational leaders impress their employees and persuade them by their behaviours and make them believe in the leaders' disseminated information. Furthermore, as employees cannot approach the internal information directly and get all information about the processes and policies they rely on their leaders, they develop their perceptions and share these perceptions among all employees. Thus, we believe that transformational leadership will positively develop service climate. Subsequently, when employees know all procedural things and their consequences, they perform accordingly.

Moreover, this information of the work environment allows employees to adjust their performance according to the service environment's practices. Finally, based on the above discussion, we proposed that service climate works as a positive mediator between transformational leadership and organisational service climate. Thus, we started our seventh hypothesis as:

H7: Service climate positively mediates the relationship between transformational leadership and organisational service performance.

Proactive personality as a moderator

The hospitality industry has been more competitive for organisations doing business in this sector (Madera et al., 2017). To survive in this competitive environment, organisations need proactive and creative capabilities (Fuller & Marler, 2009). Bateman and Crant (1993) have defined proactive personality as people's ability to modify existing things according to environmental change. Therefore, proactive persons are more inclined towards creative initiatives to face the changing nature of the workplace. Moreover, proactive persons do not wait for the change of environment; instead, they anticipate the changes and try to find new opportunities as an alternate status quo (Thomas et al., 2010). On the other hand, reactive or low-in proactive nature do not take personal initiatives and mould themselves according to the circumstances (Bergeron et al., 2014). More specifically, they act as change resistors and like to maintain the status quo.

Although, several studies have linked the proactive personality with various constructs like job performance (Fuller & Marler, 2009), affective organisational commitment (Thomas et al., 2010), and transformational leadership (Deluga, 1998). However, to the best of our knowledge, proactive personality is not used as the boundary condition on the effects of transformational leadership on organisational identification and service climate simultaneously.

Transformational leadership and proactive personality are identical in various characteristics, as Bass (1985) explained that transformational leaders' role is to motivate employees in such a manner that employees start performing beyond the expectations. Leaders do such things because they consider themselves an integral part of the organisation and believe in themselves (Barbuto & Burbach, 2006). On a similar pattern, proactive employees are self-motivated and actively work (Crant, 2000). Therefore, if a hospitality industry has proactive employees and transformational leaders, then this merging of two highly active constructs can develop an identification and service climate. Thus, based on the above discussion, we proposed that employees' proactive personality will intensify the effect of transformational leadership on organisational identification and service climate. Therefore, we started our eighth and ninth hypotheses as:

H8: Employees' proactive personality will moderate the relationship between transformational leadership and organisational identification so that a strong proactive personality will strengthen the relationship and vice versa.

H9: Employees' proactive personality will moderate the relationship of transformational leadership and service climate so that a robust proactive personality will strengthen the relationship and vice versa.

METHODS

Sample and Procedures

Sample data were collected from 10 diverse organisations of Qatar operating in the hospitality industry. Furthermore, aligned with the research's implicit nature and to avoid common method bias, data were collected in three rounds through a self-administered questionnaire. There was a time lag of three weeks between data collection rounds. Considering the ethical issues, each organisation was contacted to get approval for data collection from their managers and employees. It was ensured that their provided data will be kept anonymous and used for only research purposes. In the first round, we distributed 400 questionnaires to collect demographics (i.e. gender, age, education, experience) and the independent variable (transformational leadership). The second round was to collect about the mediating variables (organisational identification and service climate), and 400 questionnaires were distributed among employees. Lastly, we collected the dependent variable (organisational service performance) and the moderator variable (proactive personality). To be consistent with quantity of data, we distributed 400 questionnaires in this round. Out of distributed questionnaires in all rounds, we received 211, 218, and 227 questionnaires from round one, two, and three respectively. After the initial screening (e.g. missing data and without proper filling), we were left with 180 questionnaires for data analysis to test our proposed hypotheses. Finally, usable data had 60% male respondents while there were 40% female respondents. In terms of age, average respondents were over 33 years old, with a six years average experience. Furthermore, data had 55% graduate and 45% postgraduate respondents.

Measures and variables

All responses were measured on a seven-point Likert scale, ranging from 1 (strongly disagree) to 7 (strongly agree). We used five variables in this study: transformational leadership, organisational identification, service climate, and organisational service performance. First, transformational leadership was measured with seven items scale proposed by Carless et al. (2000), and the sample item is "*My supervisor communicates a clear and positive vision of the future*". We measured sense of organisational identification with four items adapted scale of Smidts et al. (2001) and the sample item is "*I feel strong ties with this hotel*". Moreover, we measured service climate with a seven-item scale proposed by Schneider et al. (2002). The sample item is "*How would you rate the recognition and rewards employees receive for the delivery of superior work and service*". The dependent variable, employees' service performance was measured with a three items scale proposed by Karatepe (2013) based on Babin and Boles (1998) and the sample item is "*I know more about services delivered to customers than others*". Finally, we measured proactive personality with a three items scale proposed by Bateman and Crant (1993) and the sample item is "*I am always looking for better ways to do the thing*".

RESULTS

This study utilised Smart-PLS 3.0 to test the proposed model. In the preliminary analysis, loadings of all items were checked, leading to the removal of four items from transformational leadership, three items from service climate, and two items from organisational identification. The preliminary analysis results are presented in Table 1, in which factor loadings of each item are presented. Moreover, the average variance extracted (AVE) and composite reliability is also presented in table 1 and shows that all remaining items meet the minimum factor loading criteria. Moreover, AVE in table 1 revealed that the AVE of each construct is also greater than 0.50. Consistent with Hair, Ringle, and Sarstedt (2013), AVE > 0.5 and CR > 0.7, meet the criteria of convergent validity.

Table 2 summarises the correlation between constructs and the square root of AVE in diagonals within brackets. Fornell and Larcker (1989) argued that AVE's square root should be greater than paired correlation, which consequently confirms the discriminant validity.

Table 1: Convergent Validity

	Items	Loadings	α	CR	(AVE)
OID			0.815	0.915	0.844
	OID3	.924			
	OID4	.914			
SC			0.811	0.876	0.643
	SC2	0.653			
	SC3	0.729			
	SC4	0.906			
	SC5	0.891			
SP			0.781	0.873	0.698
	SP1	0.736			
	SP2	0.874			
	SP3	0.887			
TL			0.835	0.902	0.756
	TL1	0.778			
	TL3	0.878			
	TL4	0.943			
PP			0.821	0.893	.735
	PP1	.856			
	PP2	.883			
	PP3	.833			

Table 2: Discriminant Validity

	PP	OID	SC	SP	TL
PP	**(0.857)**				
OID	0.103	**(0.919)**			
SC	0.563	0.215	**(0.802)**		
SP	0.403	0.245	0.568	**(0.835)**	
TL	0.633	0.218	0.835	0.545	**(0.869)**

Hypotheses testing: Direct relationships

We utilised 5000 subsamples with bootstrapping to test the proposed model. All results of direct relationships are presented in table 3. Results did not support the first hypothesis regarding transformational leadership's effect on service performance (Beta = .204, t = 1.414). The second hypothesis about the effect of transformational leadership on organisational identification was supported by the results (Beta = .217, t = 3.018). Our third hypothesis about the effect of organisational identification on service performance was also not supported by the results (Beta = .119, t = 1.578). Next, the fifth hypothesis about the effect of transformational leadership on service climate got strong support from results (Beta = .836, t = 36.914). Lastly, the sixth hypothesis about the effect of service climate on service performance also supported by the results (Beta = .377, t = 2.937).

Table 3: Direct effects

	β	T Statistics	P Values
OID -> SP	0.119	1.578	0.115
SC -> SP	0.377	2.937	0.003
TL -> OID	0.217	3.018	0.003
TL -> SC	0.836	36.914	0.000
TL -> SP	0.204	1.414	0.158

Hypotheses testing: mediation relationships

Results of mediation effects are presented in table 4. According to the results, we found the service climate as a strong mediator between transformational leadership and service performance (Beta = .315, t = 2.951). On the contrary, results did not support the mediation effects of organisational identification between transformational leadership and service performance (Beta = .026, t = 1.450). This is because the direct relationship of organisational identification with service performance was also not supported.

Table 4: Mediation effects

	β	T Statistics	P Values
TL -> OID -> SP	0.026	1.450	0.148
TL -> SC -> SP	0.315	2.951	0.003

Hypotheses testing: moderation relationships

Table 5 shows the moderating effects of proactive personality on the effect of transformational leadership on organisational identification and service climate. Results showed that proactive personality of employees significantly moderates on the transformational leadership effects on both organizational identification (Beta = .155, t = 2.241) and the service climate (Beta = .249, t = 6.677). The slope analysis charts also present moderation results.

Table 5: Moderation effects

	β	T Statistics	P Values
Moderating Effect 1 -> SC	0.249	6.677	0.000
Moderating Effect 2 -> OID	0.155	2.241	0.025

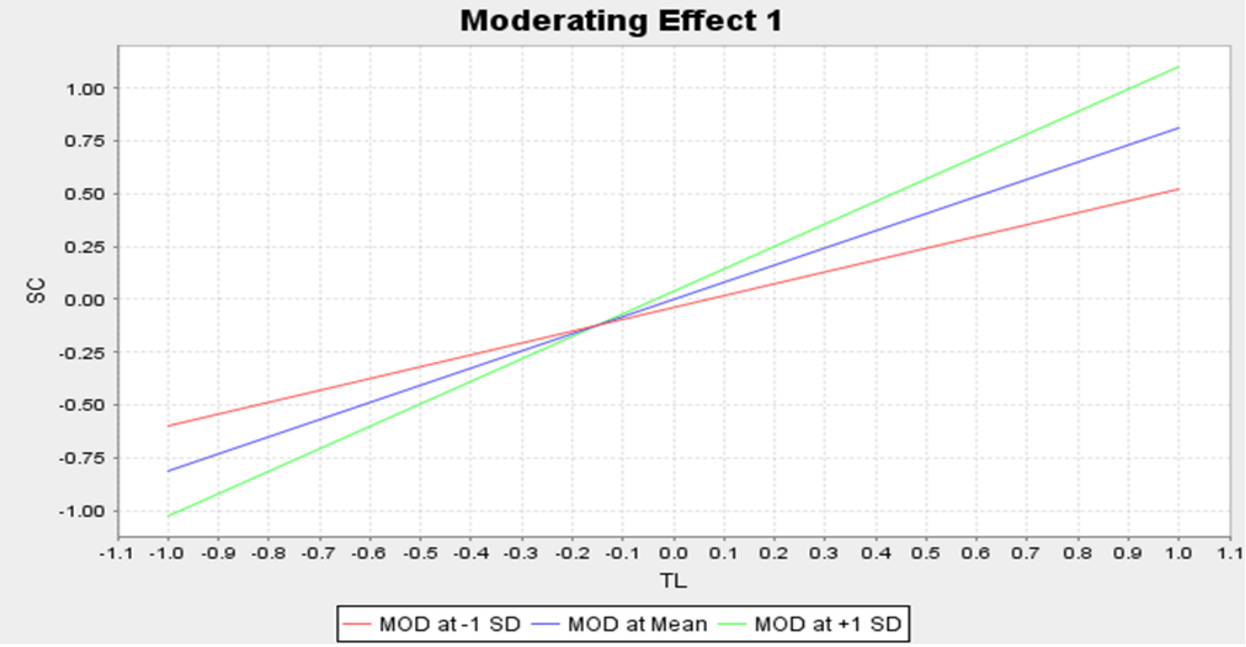


Figure 1: Moderation effect of PP on the link of TL and SC

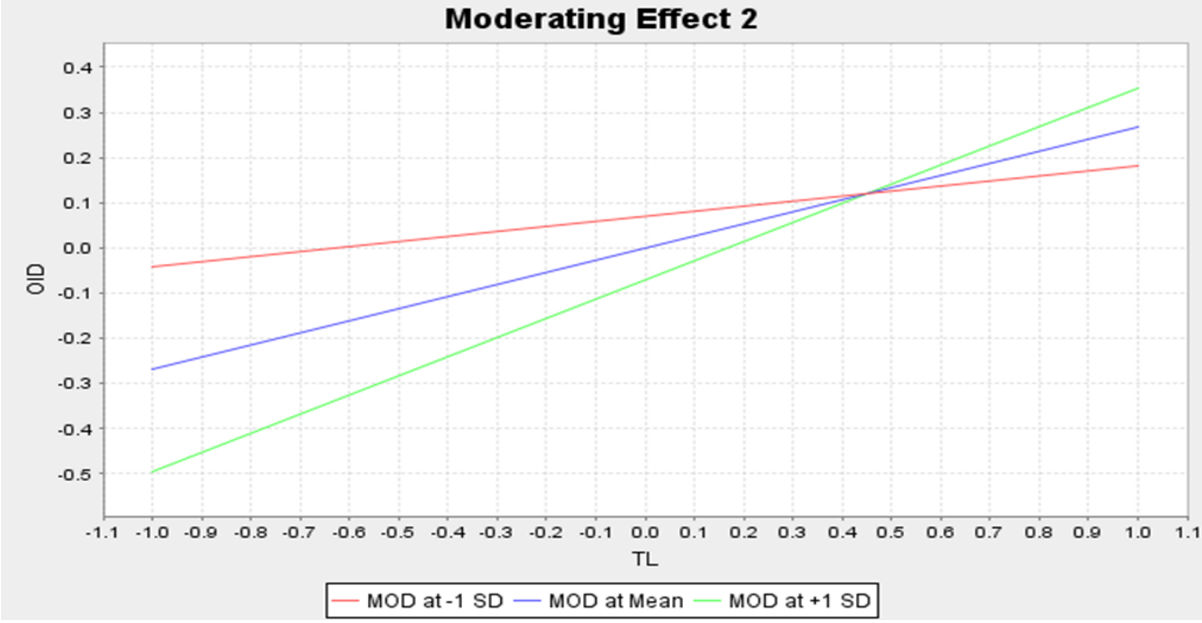


Figure 1: Moderation effect of PP on the link of TL and SC

DISCUSSION

Given the pertinent importance of employees' service performance in the hospitality industry, the scarcity on the research of leaders' role, and the underlying mechanisms to determine service performance, the work at hand proposed a model to depict the effects of transformational leadership on employees' service performance to measure the organisational performance in the hospitality industry. The proposed model approach the employees' service performance via two roots: the service climate and the second is organisational identification. Moreover, this study also discussed employees' proactive personality as a boundary condition to transformational leadership on service climate and organisational identification. Based on

SIT and SIP, we hypothesised that transformational leadership positively affects service performance. We also proposed this relationship with the mediation of service climate and organisational identification. Concerning the direct relationships, we did not support the two direct relationships, first between transformational leadership and service performance, and the second between organisational identification and service performance.

This study's main focus was to analyse the mediation mechanisms of the relationship, and we found a significant mediational effect of service climate between the relationship of transformational leadership and service performance. This mediational effect was considered the full mediation because the direct relationship between transformational leadership and service performance was not supported. On the other hand, opposite our expectations, mediation effects of organisational identification were not supported by the results because the direct relationship between organisational identification and service performance was not approved. This result also suggests that there may be another variable to explain service performance through organisational identification, which may fully mediate between these two constructs. We found that proactive personality significantly moderates the transformational leaderships' effects on service climate and organisational identification in moderation. This suggests that employees with strong proactive personalities will be more likely to be influenced by transformational leaders to develop better service climate and organisational identification than those who are less proactive or reactive.

Theoretical implications

Theoretically, our study contributes to the literature in distinctive ways. First, we contribute to the literature of leadership by determining the transformational leaders' as predictors of organisational identification and developer of service climate at the workplace. Second, we contribute to the organisational behaviour literature by examining the employees' performance triggered by transformational leadership through the mediational mechanism. Third, we contribute to organisational psychology by adding proactive personality as the boundary condition to the relationship of transformational leadership, service climate, and organisational identification. Lastly, we put insights into a better understanding of SIT and SIP theories by examining the study model.

Managerial implications

Our study also provides valuable insights to practitioners on how leaders motivate their followers to get desired outcomes and develop their employees in the organisation's interest. The findings suggest that organisations, especially in the hospitality industry, must work on developing transformational leaders because they can impress and inspire employees to perform according to the provided vision of the organisation. However, we encourage organisations to focus on understanding the psychology of leaders and employees and then plan different strategies to expedite their performance.

Limitations and future directions

Alike of other studies, this research is also comprised of some limitations. First, we only use two roots to approach service performance through transformational leadership. Future studies may incorporate some other situational factors as mediators in this relationship because various workplace settings may differently instigate employees' behaviours. Second, we relied on time-lagged data and self-reported survey, which may generate social desirability bias,

although, we took precautionary measures to avoid the bias (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). However, future studies should investigate the model by collecting responses from other sources. The longitudinal designs may produce better results because sometimes respondents feel reluctant to provide the wanted information.

Furthermore, longitudinal designs provide the flexibility to draw causality in our sample results. Third, this study is based on the sample, drawn from the hospitality industry, so future studies may consider other sectors to study the model. A blend of various sectors in a sample of the study may also produce more generalisable results. Lastly, we collected data only from employees; in future studies, cross-data can study the model.

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