



Lisbon School  
of Economics  
& Management  
Universidade de Lisboa

# **MASTERS IN MANAGEMENT (MiM)**

## **MASTERS FINAL WORK**

### **DISSERTATION**

#### **THE IMPACT OF TRANSFORMATIONAL LEADERSHIP ON EMPLOYEE PERFORMANCE AND ORGANIZATIONAL COMMITMENT**

**VERONIKA GEVORGYAN**

**October - 2024**



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**October - 2024**

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## ABSTRACT

This dissertation investigates the role of transformational leadership in influencing key employee outcomes, such as affective organizational commitment, job performance, employee engagement, and job satisfaction. In a rapidly changing organizational environment, understanding the impact of leadership styles is essential for fostering a committed and high-performing workforce. Transformational leadership, known for its emphasis on inspiration, motivation, and individual consideration, provides a framework for driving positive organizational outcomes.

The research employed a quantitative approach, using an online survey to collect data from employees across various industries. A total of 180 responses were analyzed using SmartPLS to estimate a Partial Least Squares Structural Equation Model (PLS-SEM). This method enabled the study to assess the relationships between transformational leadership and employee outcomes, testing the proposed hypotheses. The findings confirmed that transformational leadership significantly enhances affective organizational commitment and employee engagement, positively influencing job performance and job satisfaction.

This study contributes to academic literature and managerial practice by providing empirical insights into how transformational leadership can shape a supportive and productive work environment. The results emphasize the importance of leadership development programs that cultivate transformational behaviors to enhance employee well-being and organizational success.

**Keywords:** Transformational Leadership, Affective Organizational Commitment, Employee Engagement, Job Satisfaction, Job Performance.

## RESUMO

Esta dissertação investiga o papel da liderança transformacional na influência de resultados-chave dos funcionários, como comprometimento organizacional afetivo, desempenho no trabalho, engajamento dos funcionários e satisfação no trabalho. Em um ambiente organizacional em rápida mudança, entender o impacto dos estilos de liderança é essencial para promover uma força de trabalho comprometida e de alto desempenho. A liderança transformacional, conhecida por sua ênfase na inspiração, motivação e consideração individual, fornece uma estrutura para impulsionar resultados organizacionais positivos.

A pesquisa utilizou uma abordagem quantitativa, com um questionário online para coletar dados de funcionários de vários setores. Um total de 180 respostas foram analisadas utilizando o SmartPLS para estimar um Modelo de Equações Estruturais de Mínimos Quadrados Parciais (PLS-SEM). Este método permitiu que o estudo avaliasse as relações entre a liderança transformacional e os resultados dos funcionários, testando as hipóteses propostas. Os resultados confirmaram que a liderança transformacional melhora significativamente o comprometimento organizacional afetivo e o engajamento dos funcionários, o que, por sua vez, influencia positivamente o desempenho e a satisfação no trabalho.

Este estudo contribui tanto para a literatura acadêmica quanto para a prática gerencial, fornecendo insights empíricos sobre como a liderança transformacional pode moldar um ambiente de trabalho de apoio e produtivo. Os resultados enfatizam a importância de programas de desenvolvimento de liderança que cultivem comportamentos transformacionais para melhorar o bem-estar dos funcionários e o sucesso organizacional.

**Palavras-chave:** Liderança Transformacional, Comprometimento Organizacional Afetivo, Engajamento dos Funcionários, Satisfação no Trabalho, Desempenho no Trabalho

## **ABBREVIATIONS**

**TL:** Transformational Leadership

**AOC:** Affective Organizational Commitment

**EE:** Employee Engagement

**JP:** Job performance

**JS:** Job Satisfaction

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## Chapter 1 - INTRODUCTION

In the ever-evolving landscape of contemporary organizations, the role of leadership transcends mere competence and becomes pivotal in steering success. Effective leadership is no longer confined to traditional notions of competence and authority in dynamic and fast-paced organizations. Instead, it has evolved into a complex idea that calls for an all-encompassing and imaginative strategy. The intricacies of contemporary organizational dynamics are akin to undiscovered territory, requiring leaders to maneuver through ambiguities, disturbances, and perpetual transformation (Bass & Avolio, 1994).

Transformational leadership is the key idea in this changing world of leadership. This paradigm deviates from traditional leadership theories by placing equal emphasis on administrative skill and a deep comprehension of leadership's transformative potential. Beyond simple supervision and decision-making, transformational leaders inspire and motivate their teams to do greater things and create a culture of creativity, cooperation, and ongoing development (Bass & Riggio, 2006). The fundamental principle of transformational leadership is motivating constructive change in people and organizations. This kind of leadership is typified by the leader's capacity to create a shared commitment to team goals, inspire team members with a clear vision, and foster a feeling of purpose. Leaders who ignite intellectual curiosity, promote creativity and enable their staff to challenge the status quo build a culture of adaptability and resilience in the face of changing problems (Allen et al., 2003).

Transformational leadership becomes a desired attribute and a strategic requirement in modern organizational dynamics, where global marketplaces, technology breakthroughs, and societal transformations constantly reshape the company landscape. Those who adopt this paradigm will be better able to steer their organizations toward long-term success while navigating the uncertainty of the modern environment (Dai et al., 2013).

This research takes on paramount importance due to the distinctive characteristics of transformational leadership. In contrast to conventional models, transformational leadership surpasses transactional methods by offering a structure that improves employees' productivity and creates a strong sense of loyalty in them. By inspiring people to put aside their separate interests and come together around a common goal, transformational leadership becomes a crucial factor in the dynamics of organizations. Therefore, a more thorough analysis of its impact on employee performance can reveal important information about how managers might methodically improve individual and group contributions, eventually creating a setting where extraordinary work becomes the

norm (Judge et al., 2017). Research into the impact of transformative leadership on organizational commitment is crucial, as it is a topic of great importance in a time of constant change and complexity. It is vitally important to foster a sense of dedication in employees. A dedicated workforce contributes to the organization's success and overcomes setbacks with resilience. Moreover, the research into transformational leadership is an academic pursuit to broaden the understanding of leadership paradigms beyond the limitations of traditional models (Allen & Meyer, 1991).

Considering these factors, this dissertation aims to provide insights by dissecting the complexities of transformative leadership and solve the necessity of thoroughly comprehending and evaluating the impact of transformational leadership on employee performance and affective organizational commitment. Modern organizations are changing, which calls for a closer look at leadership philosophies beyond conventional transactional models. Therefore, it is not only academically but also practically necessary to examine the subtleties of transformational leadership for organizations that want to survive in the face of constant change and complexity (Bass, 1995).

Thus, this dissertation undertakes a comprehensive and systematic exploration of transformational leadership's impact on employee performance and affective organizational commitment. In more detail it is aimed to tackle three particular research questions:

1. Does Transformational Leadership influence Affective Organizational Commitment?
2. Does Transformational Leadership have an impact on Employee Job Performance?
3. Does Transformational Leadership contribute to Increased Employee Engagement and Job Satisfaction?

This dissertation sets out to comprehensively investigate the influence of transformational leadership on key employee outcomes in contemporary organizational settings. By addressing the research questions, this study seeks to offer valuable insights into how transformational leadership can shape affective organizational commitment, enhance job performance, and improve employee engagement and job satisfaction. Through a detailed analysis of these relationships, the dissertation aims to expand the existing body of knowledge on leadership paradigms and provide practical guidance for leaders seeking to navigate the complexities of modern workplaces.

## **1.1 Structure of the Document**

This dissertation is structured across six chapters to comprehensively explore the topic. Chapter one introduces the main theme of the research, explaining its academic and practical significance in modern organizations. It also sets forth the research questions and objectives of the study. The second chapter provides a literature review, detailing the impact of transformational leadership on various employee outcomes. It covers key concepts such as affective organizational commitment, job performance, employee engagement, and job satisfaction while presenting insights from previous studies to establish a theoretical foundation.

Chapter three outlines the conceptual framework, which draws on existing theories but is adapted specifically for this study to formulate the research hypotheses. The methodology is presented in chapter four, where the study design, sample selection, data collection, and analysis techniques are detailed to justify the research approach. Chapter five discusses the analysis and results, including the evaluation of measurement models, structural models, and hypotheses testing, to understand the relationships between variables. Lastly, chapter six concludes the dissertation by summarizing the findings, addressing the research questions, discussing the study's limitations, and offering recommendations for future research.

## **Chapter 2 - LITERATURE REVIEW**

### **2.1. The Impact of Transformational Leadership on Employee Performance and Organizational Success**

Transformational leadership is a relatively new concept in organizational leadership that has gained significant attention in the past three decades for its potential positive impact on employee performance (Darvishmotevali & Ali, 2020). Improving employee productivity, organizational commitment, and cultivating loyalty have become critical in today's dynamic and competitive company contexts. In the face of increased competition, businesses are realizing how crucial good leadership is in motivating employees to reach new heights and be more innovative; the success of any organization relies on the leadership styles practiced by its leaders. There has never been a more pressing need for leaders who can successfully manage these difficulties, motivate their staff, and foster a healthy work environment. In the past thirty years, more researchers have studied the possible effects of different types of leadership on employee performance. Research identifies two main types of leadership: transformational and transactional, each with distinct characteristics and approaches (Burns, 1978).

Transactional leadership is the more traditional form of leadership and, in some aspects, stands in contrast to transformational leadership. The emphasis of transactional leadership is on the exchange or transaction that occurs between leaders, associates, and followers. The basis of this leadership style is the leader explaining to the group what is expected of them and outlining the conditions and benefits they will receive to meet these demands. The main goal of transactional leadership is to motivate employees by exchanging rewards and penalties. This leadership approach emphasizes clear expectations, performance goals, and a structured organizational framework (Naidu & Van Der Walt, 2005). Corrective measures and conditional rewards are two tools transactional leaders use to inspire and control their employees.

Transformational leadership is an approach that emphasizes inspiring and motivating followers to achieve shared goals and exceed their self-interests for the collective good. This leadership paradigm, presented by Downton (1973) and then refined by Bass (1985), centers on leaders who craft a compelling vision, cultivate trust, encourage creativity, and display actions that boost the morale and output of their followers. Motivating others to go above and beyond what they initially planned to accomplish is a hallmark of transformational leadership. Transformational leadership encourages employees to be persistent and compassionate in their work responsibilities to improve employee performance (Schwarz, 2017). Transformational leaders contribute to their workforce's psychological well-being and contentment, enhancing employees' job

performance (Lai et al., 2020). In transformational leadership, employees usually produce better work and have more demanding standards. Transformational leaders empower followers and pay attention to their individual needs and personal development, helping followers to develop their leadership style (Bass, 1999). This type of leadership emphasizes inspiring and empowering followers to transcend their self-interests, fostering a shared vision, and promoting innovation. It involves building strong relationships, instilling a sense of purpose, and encouraging personal growth among followers (Bass & Riggio, 2006).

In accordance with Bass and Avolio (1994), transformational leadership comprises four main components, which are:

- 1) Idealized Influence: Followers look up to transformational leaders as role models and admire them. They establish a captivating and motivating presence within the company by living up to the principles and ideas they promote, which inspires confidence and trust;
- 2) Inspirational Motivation: These leaders enthuse and encourage their people by fostering a shared vision. They present a convincing and upbeat viewpoint, inspiring ardor, and dedication in their followers to help bring that vision to pass;
- 3) Intellectual Stimulation: Transformational leaders encourage creativity and innovation among their followers. They foster an atmosphere that invites fresh viewpoints, questions accepted wisdom, and piques intellectual curiosity;
- 4) Individualized Consideration: Transformational leaders pay individualized attention to each follower's needs and development. They cultivate a personalized and supportive relationship, acknowledging every team member's talents and problems.

Building on the fundamental elements of transformational leadership, it is essential to understand that these traits all work together to create a leadership approach that breaks down conventional barriers. Transformational leadership with Idealized Influence, which presents leaders as exemplary figures who inspire respect and confidence (Bass & Avolio, 1994; Northouse, 2018). Idealized influence implies that leaders act as role models for their followers and they have their respect, trust, and adoration. These leaders' persistence, determination, and capabilities inspire their followers, who strive to be like them. In addition, leaders with high idealized influence are willing to take chances and demonstrate consistency instead of arbitrary behavior. They maintain high standards of conduct and can be counted on to make morally sound decisions. Teams are propelled towards a common goal when this charisma is combined with inspirational motivation (Bass &

Avolio, 1994; Yukl, 2013). However, rather than merely a command, this vision becomes a shared goal that inspires commitment and fervor in those who pursue it (Avolio et al., 2009; Bass & Avolio, 1994). Intellectual stimulation adds dynamism, promoting an innovative and creative culture where long-term growth is possible despite established conventions.

Transformational leadership has been linked to broader organizational outcomes in addition to the performance of individual employees. According to research, transformational leadership plays a big part in fostering an atmosphere that values creativity and adaptability, encourages corporate social responsibility, and creates a positive work environment (Wang et al., 2011). It influences more general organizational outcomes in addition to the performance of individual employees. The research underscores the significant contributions of transformational leadership in shaping various dimensions of the corporate landscape. When leaders use transformational leadership tactics, they foster an inclusive workplace that raises employee satisfaction, morale, and a feeling of community. The focus on shared objectives and values encourages collaboration, teamwork, and a generally positive organizational climate, all of which contribute to a peaceful atmosphere at work (Wang et al., 2011).

Moreover, corporate citizenship practices are greatly encouraged by transformative leadership. A sense of dedication and accountability is fostered by leaders, not only for specific tasks but also for larger organizational and societal objectives. This drive results in more people participating in corporate citizenship activities, including community service, volunteering, and ethical decision-making. An organizational culture that is responsible and socially aware is fostered by transformational leaders (Wang et al., 2011). With the help of transformative leadership, leaders create a climate of creativity and flexibility in the workplace by giving special attention to intellectual stimulation, supporting new ideas, questioning established norms, and exploring innovative solutions. This dedication to innovation guarantees the organization's flexibility in changing circumstances and improves problem-solving skills (Wang et al., 2011). Workplace creativity and adaptability are fostered with the help of transformative leadership. Leaders foster a creatively engaging environment by prioritizing intellectual stimulation and supporting novel concepts. Employees are urged to challenge accepted wisdom, look beyond the box, and develop novel ideas. This commitment to innovation enhances problem-solving abilities and ensures the organization's adaptability to changing conditions (Wang et al., 2011). Transformational leadership is a comprehensive strategy that fosters innovation, adaptability, and a feeling of corporate social responsibility and creates an efficient and innovative organizational culture.

## 2.2. Antecedents and Consequences of Affective Organizational Commitment

The literature has studied affective organizational commitment antecedents in great detail. Affective organizational commitment is the emotional connection employees form with their organization; it has been a major topic of discussion in organizational psychology and management literature (Allen & Meyer, 1991). Researchers have studied the causes, effects, and facets of affective organizational commitment, offering insightful information about how it affects individual and organizational results.

Emotional connection is facilitated by favorable work experiences, encouraging leadership, a positive company culture, and chances for professional and personal development (Allen & Meyer, 1991; Eisenberger et al., 2001; Rhoades & Eisenberger, 2002). Comprehending these precursors is vital for establishments aiming to cultivate a dedicated and involved labor force. The aftereffects of affective organizational commitment have also received attention in the research. Positive work-related behaviors, such as improved job performance and a willingness to go above and beyond formal job requirements, are more likely to be displayed by employees with a high affective commitment. Additionally, these employees are more likely to be long-term employees (Allen et al., 2003; Meyer et al., 2002).

One of the three elements of organizational commitment is affective, continuity, and normative organizational commitment (Allen & Meyer, 1991). Affective organizational commitment is characterized by a person's emotional bond, sense of self, and corporate involvement. A sincere care for the organization's success, a sense of community, and a desire to make a constructive contribution are the outward manifestations of the emotional connection in affective organizational commitment. Continuance commitment is the belief that one must remain in the organization since quitting could present difficulties or incur expenses. Employees may stick with their existing position despite any problems if they think it could be challenging to locate other employment options (Kaplan & Kaplan, 2018).

Conversely, normative commitment occurs when employees sense a moral duty to their employer and an emotional attachment to the company. This feature emphasizes how calculative employee commitment is. According to Zheng et al. (2010), an employee's dedication is mainly determined by how well-suited they are for a position. Devoted employees are supposed to put in their best effort to guarantee that the company meets its strategic goals (Dessler, 2011). This commitment stems from a sense of responsibility and a belief that contributing to the organization's success is a personal duty.

A multitude of circumstances influences the development of affective organizational commitment. Affective organizational commitment is a significant factor that favors people and organizations alike. Empirical studies repeatedly indicate the considerable influence of elevated Affective Organisational Commitment on diverse aspects of the workplace. First off, research has shown that Affective Organisational Commitment is a highly reliable indicator of lower employee turnover intentions (Meyer et al., 2002). Strong emotional attachments to an organization reduce the likelihood that individuals may consider leaving, which promotes organizational stability and higher staff retention.

Furthermore, a higher level of job satisfaction has been connected to enhanced levels of affective organizational commitment (Meyer et al., 2002). The emotional connection between employees and the organization fosters positive and fulfilling work experiences. This emotional relationship translates into increased contentment and fulfillment in their positions. Another aspect positively correlated with affective organizational commitment is organizational citizenship behavior, which includes voluntary efforts and constructive contributions outside official employment obligations (Organ, 1988). Employees with a deep emotional bond with the company are more likely to act in ways that advance the success and general well-being of the business. Significantly, Affective Organisational Commitment is essential for fostering mental health and general employee well-being (Eisenberger et al., 2001). A positive organizational commitment results in emotional support and a sense of connectedness that helps people be resilient in the face of adversities at work and maintains their psychological well-being.

Affective Organisational Commitment levels that are regularly increased have been linked to leadership styles focusing on transformational leadership (Eisenbeiss et al., 2008). This correlation highlights the noteworthy influence that leaders who inspire, encourage, and cultivate a favorable work environment may have on employees' emotional connections with the company. As a result of their visionary approach and thoughtful attention to detail, transformational leaders foster a sense of attachment and belonging in their followers, which increases Affective Organisational Commitment. Several organizational elements other than leadership develop affective organizational commitment. The caliber of relationships inside the company is one crucial factor. Strong interpersonal ties, a collaborative work environment, and a healthy social climate have all been linked to employees' emotional commitment to the company.

Additionally, perceived organizational support, as proposed by Eisenberger et al. (1986), plays a crucial role. Positive emotional connections and commitment are fostered



when employees believe their employer recognizes their contributions, cares about their well-being, and offers the assistance they need. Research consistently indicates that transformational leadership influences affective organizational commitment (Islam et al., 2018). Intrinsic motivation is directly linked to affective organizational commitment, characterized as the emotional bond dedicated employees identify with, care about, and enjoy being a part of the organization (Benevene et al., 2018; Rodrigo et al., 2019). Affective organizational commitment is more closely linked to a person's inner motivation than normative or continuity commitment, which might be motivated by pressure or emotions of obligation (Kim & Beehr, 2018). The interaction of transformational leadership powerfully shapes affective organizational commitment, perceived organizational support, and intrinsic drive. This results in committed employees feeling a strong emotional connection to their organization.

### **2.3. The Role of Transformational Leadership in Shaping Affective Organizational Commitment**

Transformational leadership significantly shapes affective organizational commitment (Sahu et al., 2018a). Transformational leaders can build strong relationships with followers by skillfully implementing personalized consideration, which entails attending to the requirements of followers, going beyond straightforward business dealings, and fostering long-term organizational permanence with deep dedication (Nazir & Islam, 2017). Previous studies consistently show that affective organizational commitment correlates most strongly with transformational leadership (Islam et al., 2018). Affective organizational commitment is an emotional bond in which devoted employees show worry and enjoy belonging to and identifying with the organization (Benevene et al., 2018; Rodrigo et al., 2019). Compared to normative or continuous commitment, this commitment aspect has a stronger relationship with the company and pertinent personnel results. Unlike normative and continuity commitment, which are linked to pressure or emotions of obligation, affective organizational commitment is closely linked to an individual's inner motivation (Buil et al., 2019). Hence, we will explore the impact of transformational leadership on employee performance as our first hypothesis (*H1*): *Transformational leadership has a positive effect on affective organizational commitment.*

### **2.4. Key Determinants of Employee Performance: The Role of Leadership, Job Satisfaction, and Organizational Culture**

As organizations manage the difficulties of a highly competitive and ever-changing environment, employee contributions become crucial to maintaining excellence. A vital

component of organizational success is employee performance, and comprehending the complex aspects of work performance is essential for efficient administration and the organization's prosperity. Employee performance is a composite of behaviors and results that encompasses a wide range of outcomes and behaviors displayed in the workplace. Task performance, representing the execution of primary job responsibilities; contextual performance, surrounding discretionary actions contributing to the organizational environment; and adaptive performance, reflecting an employee's capacity to navigate unforeseen challenges, are the three main aspects of employee performance (Borman & Motowidlo, 1993; Motowidlo et al., 1997).

Employees view their work as a social transaction where they offer their knowledge, time, and energy for tangible and intangible benefits from the organization. Employees put in a lot of effort, talent, and dedication at work to earn various perks or rewards from the organization. These rewards include financial compensation, job security, career advancement, recognition, and intrinsic benefits like fulfillment or success (Cropanzano & Mitchell, 2005).

Employee's behaviors and outcomes from their work are included in the complex concept of job performance. Performance encompasses more than an abstract result; it also refers to the behaviors taken when performing duties (Kane, 1996). Performance is characterized as conduct containing both the task and the observable outcomes attained. This dual aspect of performance suggests that it is critical to consider both the inputs (behavior) and outputs (results) when assessing groups or individuals. Thus, one way to conceptualize employee performance is the tasks associated with the job that an employee is expected to do and how they are executed. Employee performance comprises observable behaviors aligned with organizational goals (Campbell et al., 1990). The following factors influence on employee performance:

- Leadership Styles: Leadership is a crucial component in shaping employee performance. The impact of a variety of leadership styles, from transformational to transactional, on employee motivation, job satisfaction, and performance has been of big interest to researchers and organizations for the past several decades. Employee motivation in an organization is significantly impacted by leadership style. Team members of transformational leaders are motivated by their enthusiasm and dedication, which comes from within rather than outside incentives. Employees are encouraged to reach set standards and goals by transactional leaders who set clear expectations and offer rewards (Bass & Riggio, 2006);

- **Job Satisfaction:** One of the main variables affecting employee performance is job satisfaction. Engaged and fulfilled employees exhibit more productivity, higher-quality work, and enhanced inventiveness (Judge et al., 2017). A content workforce also correlates with lower turnover rates, contributing to organizational stability (Ziegler et al., 2012). A healthy work-life balance and lower absenteeism are benefits of having a positive job satisfaction score (Faragher, Cass, & Cooper, 2005). Establishing a positive workplace culture that maximizes individual and organizational performance requires understanding and commitment to fostering job satisfaction;
- **Organizational Culture:** A positive organizational culture stimulates employee collaboration. Employee collaboration is more likely to be successful when there is a strong emphasis on open communication, teamwork, and a common goal. In turn, cooperation promotes togetherness, group problem-solving, and blending of various skills and viewpoints. The assumption that a collaborative culture is necessary for long-term success is reinforced by how collaborative cultures foster organizational adaptability and creativity (Denison et al., 2003);
- **Performance Appraisal and Feedback:** Performance appraisal systems are essential tools for establishing expectations, offering helpful criticism, and coordinating personal aims with the larger goals of the company (DeNisi & Murphy, 2017);
- **Training and Development:** Estimating the strategic significance of staff training and development initiatives is impossible. These programs foster a culture of creativity and continual improvement in addition to improving each person's abilities and knowledge (Goldstein & Ford, 2002).

One of the primary factors that enhances employee performance is the leadership approach. Transformational leadership is essential for maximizing employee performance since it encourages tenacity and empathy in job responsibilities (Schwarz, 2017). Beyond conventional methods, this leadership style emphasizes proactive behavior, bringing attention to shared interests and enabling subordinates to reach their maximum potential (Eliyana et al., 2019). Transformational leaders substantially positively impact employees' psychological health, which raises job satisfaction and improves output (Lai et al., 2020). Transformational leaders establish a work atmosphere where people feel emotionally linked to and pleased with their duties, which leads to improved job performance by inspiring and encouraging their followers.

Research shows that innovative employee behavior, favorable attitudes toward perceived outcomes, and transformational leadership are positively correlated (Buil et al.,

2019) In contrast to other leadership philosophies like servant, ethical, or authentic leadership, transformational leadership is more critical in motivating employee performance (Hameed et al., 2020). Transformational leadership's profound effect on employee performance is ascribed to its moral principles (Buil et al., 2019; Rodriguez et al., 2017). A sense of purpose and dedication to the company's objectives are fostered by leaders who exhibit transformational leadership qualities, motivating staff members to go above and beyond their assigned responsibilities. Transformational leadership focuses on the leader's ability to inspire and motivate employees while also successfully articulating the organization's goal (De Dai et al., 2013). Leaders become more effective when they incorporate employees in goal-setting procedures, foster trust, and involve them in realizing the company's vision. The leader's emphasis on fostering critical thinking among staff members and providing support is consistent with transformational leadership ideals.

### **2.5. Impact of Transformational Leadership on Employee Performance**

Research has consistently highlighted the positive relationship between transformational leadership and employee job performance (Darvishmotevali & Ali, 2020). Transformational leaders foster tenacity and empathy, which contribute to enhanced job responsibilities and performance outcomes (Schwarz, 2017). This leadership style is especially crucial for employees' psychological well-being and job satisfaction, directly improving workplace performance (Lai et al., 2020). By encouraging proactive behavior and aligning team interests with organizational goals, transformational leaders motivate employees to perform beyond expectations (Eliyana et al., 2019). Prior studies demonstrate a strong connection between transformational leadership, innovative behaviors, and positive employee outcomes (Buil et al., 2019). When compared to other leadership styles, such as ethical, authentic, and servant leadership, transformational leadership has been shown to have the most substantial impact on employee performance (Hameed et al., 2020). This is largely due to the moral principles and visionary approach inherent in transformational leadership, which encourage employees to transcend self-interest for the greater good of the organization (Dai et al., 2013). Based on these insights, the second hypothesis is proposed (*H2*): *Transformational leadership positively impacts employee job performance.*

### **2.6. The Role of Transformational Leadership in Enhancing Employee Engagement**

Employee engagement is a crucial aspect that measures employees' emotional connection, dedication, and motivation toward their jobs (Kahn, 1990). This topic has garnered

significant attention in organizational psychology and management literature. Researchers and practitioners alike have recognized the significant impact that engaged employees have on the organization's overall success, productivity, and well-being (Koopmans L. et al., 2011). Employee engagement, which measures how emotionally connected, dedicated, and motivated employees are in their jobs, has become a key topic in organizational psychology and management literature (Harter et al., 2002). The recognition of the substantial impact that engaged employees have on organizational success, productivity, and general well-being is shared by researchers and practitioners (Bakker & Demerouti, 2008).

Employee engagement comprises multiple elements that represent the complex psychological states of employees in the workplace. According to Young et al. (2018), three main components are frequently recognized: emotional involvement, cognitive engagement, and behavioral engagement. Employees' emotional connection to their work is reflected in their emotional engagement, their mental involvement and absorption in tasks are reflected in their cognitive engagement, and their proactive and discretionary efforts beyond formal job requirements are reflected in their behavioral engagement (Albrecht et al., 2018; Kwon & Kim, 2020). Furthermore, according to Eisenberger et al. (2001), engaged employees favorably impact the workforce's general well-being and mental health. Additionally, research indicates that employee engagement is a common mediating factor in the relationship between different organizational characteristics and outcomes, which illustrates the complex interactions between engagement and other organizational dimensions. For example, affective organizational commitment mediates the association between perceived organizational support and employee turnover intentions (Meyer et al., 2002). The results of multiple research have demonstrated the importance of positive leadership styles, particularly transformational leadership, in promoting higher levels of employee engagement (Li et al., 2019; Mi et al., 2019; C. Yang et al., 2020). The psychological well-being of employees within an organizational framework is significantly influenced by transformational leadership, which is distinguished by its inspirational and visionary features. Transformative leaders possess a charismatic personality that captivates followers and inspires trust and admiration (Bass & Avolio, 1994). Elevated levels of involvement stem from this charm and the capacity to inspire and drive others through a common goal. Employees are more likely to have a deep emotional bond with the company when they work for transformational leaders, which increases their engagement and dedication to their jobs. Adopting a proactive approach towards problem-solving and innovation fosters a dynamic work environment in which employees actively participate in the production of new ideas and solutions in

addition to being engaged in their given tasks. The work environment that motivates employees to be emotionally invested, cognitively engaged, and behaviorally proactive in their roles is greatly enhanced by transformational leaders' charismatic, inspirational, intellectually stimulating, and individually considerate behaviors (Li et al., 2019; Mi et al., 2019; Yang et al., 2020). Understanding employee engagement's dimensions, antecedents, and outcomes provides valuable insights for organizations seeking to enhance employee well-being and overall performance.

Transformational leaders are essential in promoting employee engagement, characterized by a person's mental, emotional, and behavioral states focused on achieving specific organizational goals. To do this, they promote employees' self-efficacy in pursuing ambitious visions and goals and cultivate good behaviors and attitudes toward work (Lai et al., 2020). Transformational leadership behaviors increase employee engagement by giving employees a clear vision that enables them to internalize company goals and see the value of their contributions (Schwarz, 2017). Giving employees the freedom to develop creative solutions increases their sense of challenge and autonomy, activating their intrinsic motivation and boosting employee engagement (Koroglu & Ozmen, 2021). As a result, we postulated that transformational leadership enhances employee engagement.

Employee engagement at work is a psychological state typified by traits including involvement, loyalty, dedication, and proactive behaviors (Young et al., 2018). Engaged employees show heightened attachment to their work obligations and coworkers, significantly impacting job performance (Sahu et al., 2018). Engaged employees frequently contribute to extra-role behaviors and go above and beyond what is expected (Albrecht et al., 2018). According to (Le & Lei, 2017), vigor is characterized by high levels of energy, devotion is characterized by mental toughness and intense engagement in work, and absorption is characterized by a focused and absorbed self in an employee's performance. Employee engagement demonstrates how hard employees work towards company goals and is a powerful predictor of cognitive, emotional, and behavioral outputs (Koroglu and Ozmen, 2021). Therefore, the subsequent hypothesis posited in this study are the following:

*H3: Transformational leadership has a positive impact on employee engagement.*

*H4: Employee engagement has a positive impact on job performance.*

## **2.7. Emotional and Cognitive Foundations of Job Satisfaction**

The basic idea behind job satisfaction is that it is an emotive variable that arises from evaluating an individual's work experiences (Locke, 1976). Locke defines it as an

enjoyable or positive emotional state that results from evaluating one's work or experiences at work. Its emotive aspect is highlighted by Cranny et al. (1992), who characterize it as an emotional response to a work based on the incumbent's comparison of desired and actual outcomes. Brief (1998) defined job attitudes as the combination of thoughts and feelings regarding one's job. Although definitions of job satisfaction often focus on its affective component, many modern assessments also emphasize the importance of its cognitive component. Cognitive evaluations of one's job situation, such as the assessment of work conditions and expectations, are crucial in determining overall job satisfaction (Weiss et al., 2003). Job satisfaction has been linked to transformational leaders, who are known for their capacity to inspire subordinates to go above and beyond expectations (Bass, 1995). Bass's concept formulation provides the theoretical basis for comprehending transformational leadership's beneficial effects on employees' job satisfaction. According to (Bogler, 2001), transformational behaviors raise employees' expectations and recognition, improving overall job satisfaction. Examples of these behaviors include individual attention, intellectual stimulation, and motivation. Through participatory decision-making, this leadership style encourages a sense of involvement, which raises commitment and increases job satisfaction highlighting the mutual relationship between transformational leadership and job satisfaction (Afsar et al., 2014). Employees who experience transformational leadership behaviors—inspiration and individual consideration—feel appreciated, improving job satisfaction. Job satisfaction is positively correlated with individual and team evaluations of transformative leadership (Braun et al., 2013). In addition to taking each follower into account individually, transformational leaders value the team dynamic. Transformational behaviors that target the person and the team, including inspiration and motivation, demonstrate this dual consideration (Braun et al., 2013). Transformational leadership has a favorable effect on job satisfaction in various organizational contexts. Positive perceptions of transformational behaviors have been linked to enhanced job satisfaction, internalization of goals, and higher identification with the organization in various contexts (Yang, 2007). Thus, the fifth hypothesis is the following (*H5*): *Transformational leadership has a positive impact on job satisfaction.*

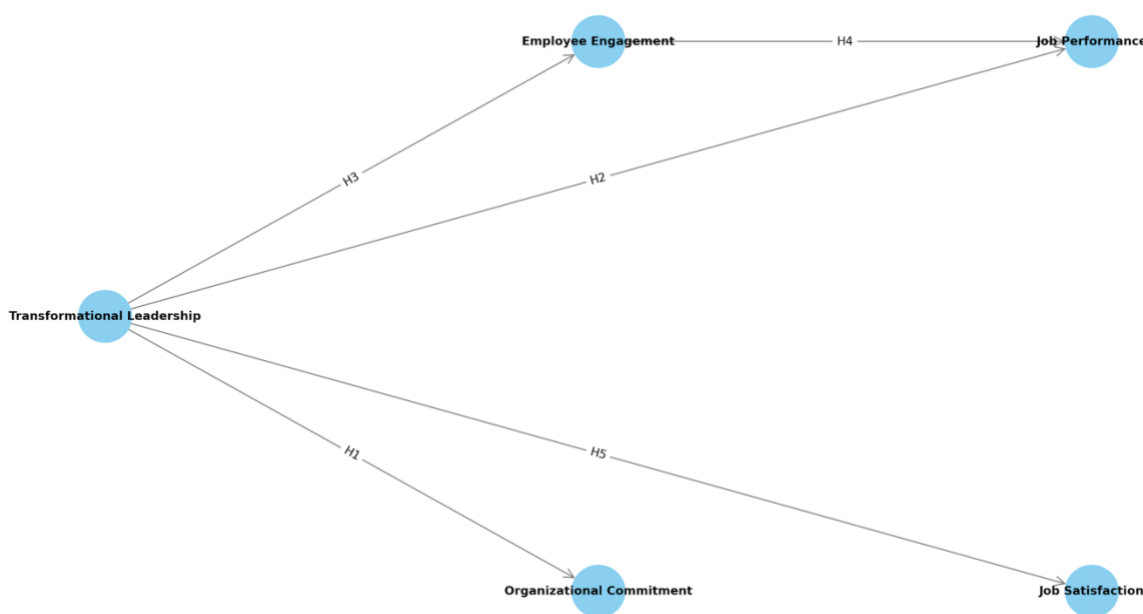
### **Chapter 3 - CONCEPTUAL FRAMEWORK**

The conceptual framework of this dissertation (see Figure 1) is anchored in the impact of transformational leadership in organizational settings. Transformational leadership, focusing on inspiration, motivation, and individual and group growth, directly impacts

several essential employee outcomes. First, transformational leadership is thought to promote affective organizational commitment, which forms an emotionally invested and identified workforce with the organization, according to research by (Buil et al., 2019). Furthermore, as Dai et al. (2013) demonstrated, transformational leadership favors employees' job performance. This is because it reflects the leader's capacity to motivate and inspire better levels of task completion.

Furthermore, research by Koroglu and Ozmen (2021) indicates that transformative leadership fosters dedication, passion, and excitement for work, improving employee engagement. Transformational leadership favors job satisfaction by drawing on a broader body of literature (Yang, 2007). Moreover, the acknowledged mediation role of affective organizational commitment and employee engagement is that of the former impacting job performance and the latter influencing job performance and possibly job satisfaction (Reilly, 2018; Alagarsamy et al., 2020). To summarise, the framework suggests that companies adopting transformational leadership will probably develop a more engaged, committed workforce, perform better on the job, and be happier.

Figure 1. Conceptual Framework



Source: own elaboration based on Buil et al. (2019), Dai et al. (2013), Koroglu and Ozmen (2021), and Yang (2007).

## Chapter 4 - METHODOLOGY

A meticulous and structured research design was imperative to effectively achieving this study's research goals. The chosen methodology aimed to comprehensively analyze and assess the intricate relationship between affective organizational commitment, employee performance, and transformative leadership.



### 4.1 Type of Study

This research followed a quantitative approach, utilizing a cross-sectional survey design to assess the relationships between transformational leadership, affective organizational commitment, job performance, employee engagement, and job satisfaction. A cross-sectional study gathers data at a specific time, making it suitable for examining relationships between variables in a single snapshot (Babbie, 2016). This design allows researchers to analyze patterns and relationships without requiring long-term observation or repeated measurements, which is particularly useful when time constraints or resources are limited.

A quantitative approach was chosen due to its ability to assess complex relationships in a structured manner statistically (Saunders et al., 2007). Quantitative research is well-suited for analyzing relationships between multiple variables and providing precise, measurable results, which can be generalizable to a larger population when a sufficiently large sample is used (Saunders et al., 2007). This approach also enables statistical methods, such as path analysis and regression modeling, essential for testing hypotheses and understanding the strength and direction of relationships between the constructs.

The cross-sectional approach facilitated a concurrent analysis of leadership behaviors and organizational outcomes, capturing a real-time depiction of the variables under study in modern organizations. Focusing on a specific moment, this study can reflect current organizational dynamics, providing a relevant snapshot of how transformational leadership impacts key employee outcomes, such as engagement and job satisfaction. By employing a quantitative, cross-sectional design, this study can efficiently address its research objectives while ensuring the analysis remains robust and scientifically sound. The methodology also lends itself to replicability, as future studies can apply similar techniques to different populations or contexts to validate the findings.

### 4.2 Sample Selection

In this dissertation, data were collected through an online questionnaire distributed via a web link, allowing participants to contribute to the research by responding to a structured set of questions (Malhotra et al., 2017). The choice to utilize an online survey was driven by its convenience and efficiency in reaching a large and geographically diverse audience within a short period (Wright, 2005a). Online distribution also facilitated access to a convenience sample, targeting individuals who were readily available and willing to

participate, thus allowing the collection of data from a broad range of participants with potentially diverse demographic backgrounds (Wright, 2005).

The survey aimed to reach employees working in various organizational settings, reflecting the diversity of modern workplaces. Participants were selected based on their willingness to complete the questionnaire, which was open to individuals from different industries and organizational levels. The target population for this study included employees who have experience with or exposure to leadership behaviors in their current or past workplaces, providing insights into the impact of transformational leadership on organizational outcomes. The sample size comprised 180 respondents, which was considered adequate for conducting the statistical analyses needed to test the research hypotheses and ensure the generalizability of the findings .

### **4.3 Questionnaire Structure and Data Collection**

In this study, an online survey was administered via a link, allowing participants to provide structured responses to specific questions aimed at collecting quantitative data (Dillman et al., 2014) The choice to use online surveys is supported by their ability to facilitate efficient data collection across a wide geographical area while also enabling access to diverse and large virtual populations (Evans & Mathur, 2018) This method also made it possible to employ purposive sampling, ensuring that respondents with relevant experience in transformational leadership behaviors were selected for the study.

The questionnaire was developed and distributed online via the Qualtrics platform. The decision to utilize an online survey was driven by its cost-effectiveness and ability to efficiently reach a large and diverse audience (Wright, 2005b). The survey was shared through multiple channels, including social media platforms like Instagram and Facebook and messaging services like WhatsApp, from December 20, 2023, to January 28, 2024. This approach allowed the collection of various responses from individuals across different industries and professional backgrounds.

Before the survey was fully deployed, it underwent a pre-test phase in which a small group of respondents completed the questionnaire to provide feedback on its clarity, structure, and overall effectiveness. Their input helped refine the final version of the questionnaire, ensuring that the questions were easy to understand and relevant to the study's research goals (Dillman et al., 2014). This step was crucial for enhancing the reliability and validity of the instrument.

The questionnaire was divided into three sections. The first section gathered general information about the participants, such as their employment status, industry, company size, and professional role. These questions were designed to understand the

participants' work environment and context comprehensively. The second section of the questionnaire focused on assessing critical constructs related to leadership behaviors and organizational outcomes. This section used Likert scales to measure participants' perceptions of transformational leadership, affective organizational commitment, employee performance, job satisfaction, and employee engagement. Likert scales were selected for this study because they allow for data collection on attitudes, perceptions, and experiences in a structured, quantifiable way. This method enables respondents to express their level of agreement with statements on a range of issues, offering a nuanced understanding of their views (Joshi et al., 2015). Additionally, Likert scales are widely used in leadership and organizational research for measuring constructs such as satisfaction and commitment, as they provide consistency in data collection and are easy for respondents to understand (Allen & Seaman, 2007). Participants were asked to rate statements about their leaders' behaviors, such as how well their leaders inspired and motivated them, provided intellectual stimulation, and considered individual needs. Using Likert scales allowed for quantifying respondents' attitudes and perceptions, facilitating a robust analysis of the relationships between leadership and organizational outcomes (Boone & Boone, 2012). The third section of the questionnaire collected demographic information, such as age, gender, education level, and work location. This demographic data was critical for contextualizing the responses and ensuring that the sample was representative of the target population.

#### **4.4 Measurement Scales**

The measurement scales were adapted from previous studies to better align with the context of this research (Table I summarizes the primary references used, while the complete scales are shown in Appendix 1). Transformational Leadership was measured using scales adapted from Dai et al. (2013), focusing on leadership behaviors influencing employee motivation and performance. Affective Organizational Commitment was measured using scales adapted from Meyer and Allen (1997), which assess an employee's emotional attachment to the organization.

Employee Engagement and Job Satisfaction were both assessed using scales from Wang et al. (2020), focusing on how actively engaged employees are in their work and their overall satisfaction. Job Performance was measured using scales from Williams and Anderson (1991), which capture organizational task-related and contextual performance. All the scales are based on seven-point Likert-type measures, with one corresponding to "Strongly Disagree" and 7 to "Strongly Agree" (refer to Appendix 1 for complete scales).

These measures allow respondents to express their perceptions and experiences across each construct.

**Table I:** Measurement Scales

<b>Construct</b>	<b>Author of Reference</b>
Transformational Leadership	Dai et al. (2013)
Affective Organizational Commitment	Meyer and Allen (1997)
Employee Engagement	Wang et al. (2020)
Job Satisfaction	Wang et al. (2020)
Job Performance	Williams and Anderson (1991)

Source: own elaboration

## **Chapter 5 - ANALYSIS AND DISCUSSION OF RESULTS**

### **5.1 Sample Characterization**

The questionnaire collected 180 responses, although only 151 were used for the quantitative analysis, as 29 responses were excluded due to incompleteness. Most participants who did not complete the survey stopped midway through, leaving key questions unanswered. Specifically, the first filtered question, "Are you currently employed?" resulted in 4.0% of the participants answering "No," while 96.0% stated that they were employed, making this a predominantly employed sample.

The final sample consisted of 151 respondents across various industries. When asked about the industry in which they worked, most respondents (19.2%) reported being employed in education. This was followed by 10.6% working in technology, 10.6% in finance and manufacturing, and 6.6% in healthcare. Additionally, 42.4% of respondents indicated they were employed in sectors categorized as "Other," which may include industries not explicitly listed in the survey.

Participants were also asked to indicate the size of the company they worked for. A significant majority, 67.5%, reported that they were employed in small companies with 1-50 employees, suggesting that many respondents might be working in startups, small businesses, or independent ventures. Medium-sized companies (51-500 employees) accounted for 17.2% of the responses, while 15.2% of respondents worked in large companies with 501 or more employees.

In terms of their roles within these organizations, the largest group of respondents (45.0%) identified themselves as being in executive or leadership roles, indicating a high number of senior professionals. This was followed by 19.9% who classified their roles as senior level, with mid-level professionals accounting for 16.6%. Interestingly, 14.6% of respondents were in entry-level roles, which suggests a well-balanced mix of participants

from various career stages. A small fraction of participants (4%) selected "Other," indicating they did not fit neatly into the predefined role categories.

Regarding participants' current location, 37.1% reported living in Western Europe, 21.9% in Southern Europe, 18.5% in Eastern Europe, and 10.6% in Northern Europe. Another 11.9% indicated living outside of Europe.

As for their current work location, the most significant portion (42.4%) stated that they worked in a hybrid mode (onsite and remote), and 30.5% worked fully remote. In comparison, 23.2% worked onsite at their company's office. A small percentage (4.0%) indicated other work arrangements. When describing their daily commute to work, 21.9% of respondents commuted by walking, 17.9% worked remotely, 33.1% by car, and 23.2% by public transport (bus or train). A small percentage (4.0%) selected other modes of commuting.

The age distribution of the respondents showed that the majority (47.0%) were between 25 and 34 years old, 22.5% between 35 and 44, and 19.9% between 18 and 24 years old. A smaller percentage, 7.9%, were between 45 and 54, with 1.3% each under 18 and between 55 and 64. In terms of gender, 49.0% of respondents identified as female, 44.4% as male, 5.3% chose to identify as "Other," and 1.3% preferred not to say. Educational backgrounds varied, with 54.3% of participants holding a master's degree, 29.1% having a bachelor's degree, 11.3% holding a PhD or equivalent, and 5.3% reporting their highest level of education as high school.

Regarding lifestyle, 45.0% of respondents described themselves as career-focused, 25.8% as active and outgoing, while 14.6% identified as introverted or family-oriented. When asked about their financial situation, 38.4% of participants reported feeling somewhat comfortable, 31.8% were neutral, and 18.5% indicated discomfort. A smaller portion, 7.3%, felt extremely comfortable, and 4.0% reported being uncomfortable. Regarding technology adoption, the majority felt comfortable with new technologies, with 33.8% reporting being somewhat comfortable and 30.5% being extremely comfortable. A smaller percentage (14.6%) reported some discomfort, while 21.2% were neutral.

Further analysis was conducted using SmartPLS version 4.1.0.4, a tool widely used for partial least squares structural equation modeling (PLS-SEM). This allowed for exploring relationships between the variables collected in the survey, offering insights into how factors such as industry, company size, and role may influence perceptions of transformational leadership or organizational commitment. By leveraging SmartPLS, it was possible to model the complex interrelations between these variables and assess their impact on critical outcomes, such as job satisfaction and performance.

## 5.2 Measurement Model Assessment

As illustrated in Appendix 1, the measurement scales related to each construct were built by adapting items to fit the context of the study and its objectives. SmartPLS 4.1.0.4 software was used to analyze the survey data. It was chosen for its ability to apply partial least squares structural equation modeling (PLS-SEM). The decision to use PLS-SEM was based on its efficiency in handling complex relationships within variable systems (Gefen et al., 2008) and its capability to model latent variables that are not directly measurable (Hair et al., 2021). Furthermore, PLS-SEM is a robust technique suited for studies with small sample sizes, even when complex models offer similar benefits to multiple regression analysis and enable researchers to simultaneously analyze relationships (Hair et al., 2021).

### 5.2.1 Construct Reliability and Validity

According to prior research, evaluating a measurement model requires a comprehensive analysis of its reliability and validity. This process is crucial for understanding how accurately the items reflect each construct (Chin, 2010; Hulland, 1999). The first step in this evaluation is assessing indicator reliability, which is determined by the outer loadings of each item. For an indicator to be considered reliable, its outer loading must exceed 0.5, ensuring that the construct explains a significant portion of its variance (Hair et al., 2019).

Internal consistency reliability is measured using two key metrics: Cronbach's alpha and composite reliability (CR, also called  $\rho_C$ ). These indicators assess how well the items within a construct correlate, with values above 0.7 considered acceptable (Hair et al., 2021).  $\rho_A$  is another commonly used measure, preferred by some researchers for its greater precision (Hair et al., 2021).

In addition to reliability, convergent validity must be assessed when multiple items are used to represent a construct. Convergent validity is evaluated through the average variance extracted (AVE), which reflects how well a construct explains the variance of its indicators. According to Hair et al. (2017), an AVE value above 0.5 demonstrates sufficient explanatory power.

The results from the analysis (table II) show that most indicators in the model meet the necessary thresholds for both reliability and validity. While the outer loadings for most items are above the critical value of 0.5, the indicator TL6, with an outer loading of 0.516, was retained in the model despite being on the lower side. All other parameters, including Cronbach's alpha, composite reliability, and AVE, are within acceptable ranges.

**Table II:** Summary of Reliability and Validity Metrics

	<b>Cronbach's alpha</b>	<b>Composite reliability (rho_a)</b>	<b>Composite reliability (rho_c)</b>	<b>Average variance extracted (AVE)</b>
<b>Affective Organisational Commitment</b>	0.874	0.889	0.874	0.543
<b>Employee Engagement</b>	0.912	0.918	0.911	0.597
<b>Job Performance</b>	0.849	0.861	0.851	0.537
<b>Job Satisfaction</b>	0.868	0.871	0.869	0.625
<b>Transformational Leadership</b>	0.875	0.896	0.871	0.503

Cronbach's alpha values indicate internal solid consistency across all constructs, with AOC at 0.874, EE at 0.912, JP at 0.849, JS at 0.868, and TL at 0.875. Similarly, composite reliability (Rho\_A and Rho\_C) values exceed 0.7 for all constructs, confirming the high reliability of the measurement model. Furthermore, the AVE values for all constructs are above 0.5, verifying adequate convergent validity. As a result, the measurement model in this study demonstrates both strong reliability and validity.

### 5.2.2. Discriminant Validity

After verifying the reliability and validity of the constructs, the next step involves assessing discriminant validity, which ensures that each item uniquely measures its intended construct and does not overlap significantly with other constructs (Hair et al., 2021). Discriminant validity is crucial to confirm that the constructs are distinct (Chin, 2010). Three primary methods are employed to evaluate discriminant validity: (1) the Heterotrait-Monotrait (HTMT) ratio, (2) the Fornell-Larcker criterion, and (3) cross-loadings.

The first technique, the HTMT ratio, measures how strongly constructs correlate, with values below 0.9 indicating sufficient discriminant validity (Henseler et al., 2015). The lower the HTMT ratio, the better the distinction between constructs. In this study, all HTMT values are well below the threshold. For example, the HTMT ratio between Affective Organizational Commitment (AOC) and Employee Engagement (EE) is 0.724. Between AOC and Job Performance (JP), it is 0.469, confirming that the constructs are sufficiently distinct.

The second method, the Fornell-Larcker criterion, assesses discriminant validity by comparing the square root of each construct's AVE to its correlations with other constructs. To ensure discriminant validity, the square root of a construct's AVE should

be higher than its correlations with other constructs (Hair et al., 2017). The results of this analysis show that each construct's AVE is more significant than its correlations with other constructs, supporting discriminant validity. For instance, AOC's AVE (0.737) exceeds its correlation with EE (0.707), demonstrating the distinctiveness of the AOC construct.

**Table III:** Fornell-Larcker Criterion

	<b>AOC</b>	<b>EE</b>	<b>JP</b>	<b>JS</b>	<b>TL</b>
<b>AOC</b>	0.737				
<b>EE</b>	0.707	0.773			
<b>JP</b>	0.455	0.650	0.733		
<b>JS</b>	0.728	0.918	0.618	0.790	
<b>TL</b>	0.731	0.420	0.108	0.463	0.709

Lastly, the cross-loading method evaluates whether an indicator is more strongly related to its construct than others (see Table IV). According to this method, the loading of an indicator on its respective construct should be greater than its loadings on any other constructs (Henseler et al., 2015). This analysis confirms that each indicator has a stronger loading on its designated construct than others. For instance, AOC1 has a loading of 0.789 on AOC, which is higher than its loadings on EE (0.71), JP (0.516), Job Satisfaction (JS) (0.736), and Transformational Leadership (TL) (0.577). Similarly, EE5 has the highest loading on EE (0.926), further reinforcing the discriminant validity of the constructs.

Based on the results, the discriminant validity of the constructs is confirmed, demonstrating that each item accurately measures its designated construct without significant overlap with others. The results support the reliability of the indicators in representing their intended constructs, as expected.

### 5.2.3 Collinearity

Collinearity is a statistical phenomenon that occurs when two or more predictor constructs in a model are highly correlated, leading to potential issues in the interpretation of the model. Specifically, collinearity can inflate the standard errors of regression coefficients, making it difficult to assess the true contribution of each predictor. To address this, the Variance Inflation Factor (VIF) is used to measure how much the variance of a regression coefficient is inflated due to collinearity with other predictors (Hair et al., 2019).

In this context, the VIF values should generally be below 5 to ensure that there are no significant collinearity problems, as suggested by Chin (2010) and Hair et al. (2021). If VIF values exceed this threshold, it would indicate that the predictors are too highly correlated, leading to issues in determining the unique impact of each construct.



In the analysis of collinearity (Table IV), none of the VIF values exceed the threshold of 5, which confirms that collinearity is not a problem in this model. For example, the VIF values for AOC (Affective Organizational Commitment) range from 1.627 to 2.895, all of which are well below 5. This suggests that the predictors are sufficiently independent of one another, allowing for a reliable assessment of the relationships between constructs.

**Table IV:** Collinearity Assessment (Variance Inflation Factor - VIF)

VIF		VIF		VIF		VIF		VIF		VIF	
AOC1	2.016	EE1	2.054	JP1	2.572	JP1	2.572	JS1	1.733	TL1	1.769
AOC2	2.895	EE2	2.479	JP2	1.913	JP2	1.913	JS2	2.675	TL2	2.59
AOC3	2.201	EE3	3.433	JP4	1.573	JP4	1.573	JS3	2.066	TL3	2.202
AOC4	2.021	EE4	2.113	JP5	2.397	JP5	2.397	JS4	2.427	TL4	2.458
AOC5	1.825	EE5	3.218	JP7	1.715	JP7	1.715			TL5	2.244
AOC6	1.627	EE6	3.311							TL6	1.399
		EE7	2.225							TL7	1.804

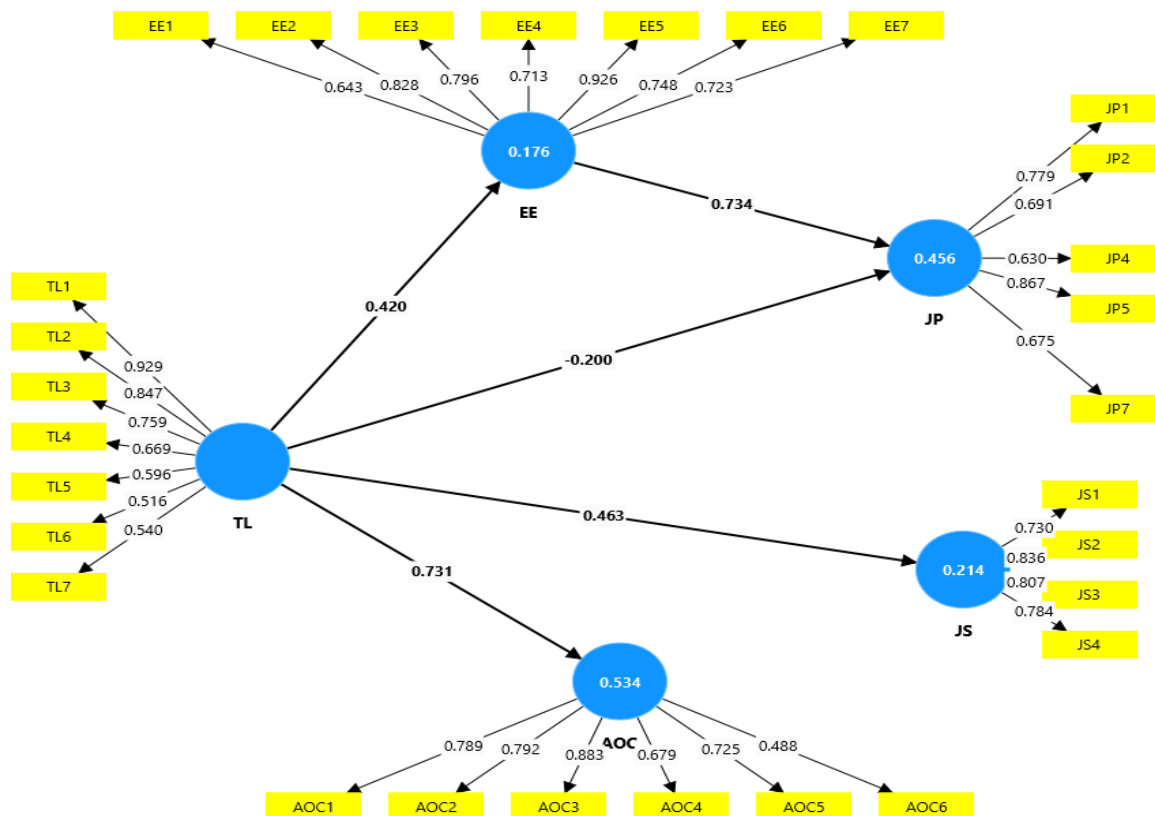
Based on the assesment, it can be concluded that collinearity is not a concern in the model, and both the inner and outer models are valid. The absence of high VIF values indicates that each construct retains its originality, and the results of the model can be interpreted with confidence.

### 5.3 Evaluation of Structural Model

After ensuring the model's measures were appropriate, the next phase involves evaluating the significance and importance of the relationships in the structural model. Figure 2 presents the structural model marking beta coefficients for each path and the  $R^2$  values for each construct.

The structural model's assessment begins by examining the  $R^2$  values, which indicate the proportion of variance in the dependent constructs explained by the model. Higher  $R^2$  values suggest greater explanatory strength, though the context of the study should be considered when interpreting these values (Hair et al., 2017). Additionally, model fit can be checked using the standardized root mean square residual (SRMR), with lower values indicating a better fit between the observed and predicted models.

The SRMR for the saturated model is 0.088, and 0.189 for the estimated model (table VI). While SRMR values below 0.08 are ideal, slightly higher values are still considered acceptable depending on the context. The  $R^2$  values and SRMR results demonstrate an acceptable fit for the structural model.

**Figure 2: The Structural Model**

Source: SmartPLS

**Table V: Model Fit**

	Saturated model	Estimated model
<b>SRMR</b>	0.088	0.189
<b>d_ULS</b>	3.339	15.617
<b>d_G</b>	2.414	2.851
<b>Chi-square</b>	1555.903	1732.947
<b>NFI</b>	0.59	0.543

### 5.4 Hypotheses Testing: Bootstrapping Results

In testing the hypotheses, SmartPLS employs the nonparametric bootstrapping technique to evaluate the significance and relevance of the path coefficients within the structural model (Henseler et al., 2009). This final step is crucial as it determines whether the relationships hypothesized in the model are statistically significant. Bootstrapping involves generating numerous samples from the original data set to estimate the PLS path model multiple times (Hair et al., 2021; Henseler et al., 2009). This method yields path

coefficients, t-values, and p-values, which help in interpreting the relationships between constructs.

The results, as presented in the table VII, show the path coefficients along with their respective t-values and p-values. Hypotheses were tested using a 5% significance level. For a hypothesis to be supported, the t-value must exceed 1.96, or the p-value must be below 0.05 (Hair et al., 2021). Based on the results, several hypotheses were supported, while others were not, depending on the statistical significance of their respective coefficients. As indicated, six out of eleven paths are validated, showing t-values above 1.96 and p-values below 0.05, while the others do not meet these criteria and, therefore, are not supported.

**Table VI:** Summary of Hypotheses Testing

Hypothesis	Relationships	Path Coefficient	t-value	P-value	Decision
H1	TL -> EE	0.420	4.415	0.000	Supported
H2	TL -> JP	-0.200	2.329	0.020	Supported
H3	TL -> JS	0.463	5.255	0.000	Supported
H4	TL -> AOC	0.731	14.443	0.000	Supported
H5	EE -> JP	0.734	10.993	0.000	Supported

## 5.5. Discussion of Results

The impact of Transformational Leadership (TL) on key organizational outcomes was explored through a quantitative analysis, the results of which are presented in Table VI. These results reveal which relationships are statistically significant and relevant in explaining variations in Employee Engagement (EE), Job Performance (JP), Job Satisfaction (JS), and Affective Organizational Commitment (AOC).

The analysis strongly supports the relationship between Transformational Leadership and Affective Organizational Commitment (AOC) (H4:  $\beta = 0.731$ , t-value > 1.96, p-value < 0.05). This finding corroborates earlier research by Bass and Riggio (2006), which highlights the role of transformational leaders in fostering emotional commitment among employees. Employees led by transformational leaders are more likely to develop a sense of belonging and attachment to their organization, as such leadership encourages motivation and inspiration.

Similarly, the relationship between Transformational Leadership and Job Satisfaction (JS) (H3:  $\beta = 0.463$ , t-value > 1.96, p-value < 0.05) was supported, aligning with prior studies suggesting that transformational leaders enhance job satisfaction by creating a meaningful work environment and offering individualized support (Podsakoff et al., 1990). This indicates that transformational leaders play a significant role in shaping

positive employee attitudes toward their job by fostering a supportive and stimulating work environment.

Moreover, the relationship between Transformational Leadership and Employee Engagement (EE) (H1:  $\beta = 0.420$ ,  $t\text{-value} > 1.96$ ,  $p\text{-value} < 0.05$ ) was found to be statistically significant. This supports findings by Breevaart et al. (2014), which showed that transformational leaders, through their inspirational and motivational behaviors, lead to higher levels of employee engagement. Employees under transformational leadership are often more dedicated, motivated, and committed to their roles, ultimately resulting in enhanced engagement levels.

The data also demonstrated that Employee Engagement (EE) positively influences Job Performance (JP) (H5:  $\beta = 0.734$ ,  $t\text{-value} > 1.96$ ,  $p\text{-value} < 0.05$ ), reinforcing previous theories that engaged employees perform better due to increased focus and enthusiasm for their work (Saks, 2006). This relationship highlights the crucial role of employee engagement as a mediator in improving performance outcomes.

Conversely, the relationship between Transformational Leadership and Job Performance (JP) (H2:  $\beta = -0.200$ ,  $t\text{-value} > 1.96$ ,  $p\text{-value} = 0.020$ ) revealed a statistically significant but negative influence. This result deviates from conventional expectations and suggests that while transformational leadership may enhance other outcomes like engagement and commitment, it might not directly translate to improved job performance. The findings may indicate potential trade-offs, where the developmental and supportive nature of transformational leadership could, in some cases, shift focus away from immediate performance goals. Such a trade-off is consistent with Dionne et al. (2004), who argued that transformational leadership might prioritize long-term growth and development over short-term performance outcomes.

Interestingly, while there was a strong positive direct effect of Employee Engagement (EE) on Job Performance (JP), the indirect path from Transformational Leadership to Job Performance through Employee Engagement (H6:  $\beta = 0.308$ ,  $t\text{-value} > 1.96$ ,  $p\text{-value} < 0.05$ ) was also supported. This result aligns with previous research emphasizing the mediating role of engagement in enhancing performance outcomes (Salanova et al., 2005). The indirect effect highlights that transformational leadership enhances performance outcomes primarily through its influence on engagement rather than direct impact on job performance.

These results demonstrate that Transformational Leadership plays a pivotal role in improving employee attitudes and behaviors, particularly through enhancing engagement, satisfaction, and commitment. However, the direct negative influence of transformational leadership on job performance suggests that further investigation is needed to understand

the nuances of this relationship, especially in contexts where immediate performance metrics are emphasized. Overall, the findings support the notion that promoting transformational leadership within organizations leads to positive outcomes, particularly in areas related to employee engagement and emotional commitment, while its direct effects on job performance may depend on the context and organizational priorities.

## **Chapter 6 - CONCLUSIONS, MAIN IMPLICATIONS, LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH**

### **6.1 Conclusions**

This dissertation aimed to explore the impact of transformational leadership on employee outcomes, specifically focusing on affective organizational commitment, job performance, employee engagement, and job satisfaction. The study successfully achieved its objectives by providing empirical evidence and insights into how transformational leadership influences these key organizational aspects. Consequently, the outlined objectives were met, and the three research questions were adequately addressed.

Regarding the first research question: *“Does Transformational Leadership influence Affective Organizational Commitment?”* the findings confirmed that transformational leadership significantly enhances affective organizational commitment. The results show that leaders who engage in behaviors such as inspirational motivation and individualized consideration foster a deep emotional bond and loyalty among employees. This is consistent with prior research, such as Allen and Meyer (1991), who highlighted the importance of affective commitment in organizational settings, and Bass and Riggio (2006), who emphasized transformational leadership's role in creating a committed workforce.

Addressing the second research question: *“Does Transformational Leadership have an impact on Employee Job Performance?”* the analysis offered a nuanced understanding. While the direct impact of transformational leadership on job performance was weaker and, in some instances, slightly negative, the data indicated that transformational leadership indirectly improves job performance through enhanced employee engagement. This aligns with the findings of Harter, Schmidt, and Hayes (2002), who demonstrated the critical link between employee engagement and job performance, suggesting that transformational leadership fosters an environment conducive to better performance over time.

Regarding the third research question: *“Does Transformational Leadership contribute to*

*Increased Employee Engagement and Job Satisfaction?*” the empirical evidence supported the idea that transformational leadership substantially boosts both employee engagement and job satisfaction. The results indicated that transformational leaders inspire employees to take a more active role in their work and find greater satisfaction in their tasks. This is in line with previous studies by Schwarz (2017) and Judge et al. (2017), which recognized the significance of transformational leadership in shaping a supportive work environment and improving employee attitudes.

## **6.2 Academic and Managerial Implications**

This dissertation contributes significantly to the academic field by advancing the understanding of transformational leadership's impact on organizational outcomes. The study enriches existing literature by examining the relationships between transformational leadership and affective organizational commitment, job performance, employee engagement, and job satisfaction. It underscores the importance of transformational leadership in modern organizational settings, providing empirical evidence to support its role in shaping positive employee attitudes and behaviors. The findings align with prior research, such as Bass and Riggio (2006) and Allen and Meyer (1991), confirming that transformational leadership enhances employee commitment and engagement.

Additionally, the study extends the knowledge base by highlighting the indirect effects of transformational leadership on job performance through employee engagement. This nuance offers a more comprehensive understanding of how transformational leadership influences organizational outcomes, suggesting that its impact on performance is mediated by employee attitudes. These insights open avenues for future research to explore the contextual factors or organizational conditions that influence these relationships, particularly the nuanced negative direct relationship between transformational leadership and job performance.

## **6.3 Practical Implications**

From a managerial perspective, this research emphasizes the tangible benefits of adopting transformational leadership practices to foster a committed, motivated, and engaged workforce. Organizations should prioritize training programs aimed at developing leaders' skills in inspirational motivation, intellectual stimulation, and individualized consideration. These practices not only enhance employee satisfaction and engagement but also contribute to long-term organizational success (Bass & Riggio, 2006).

Moreover, the findings suggest that organizations can achieve improved job performance

by fostering employee engagement. By focusing on creating an environment where employees feel valued, inspired, and supported, leaders can indirectly enhance performance outcomes. Companies should consider integrating transformational leadership principles into their strategic management approaches to sustain employee well-being, commitment, and productivity (Avolio, 2013).

Finally, the negative direct relationship between transformational leadership and job performance calls for careful balancing of leadership practices. While transformational leadership is highly effective in fostering long-term growth and commitment, managers should also be mindful of aligning leadership approaches with short-term performance goals to minimize potential trade-offs.

#### **6.4 Limitations of the Study**

This study faces several limitations that warrant attention in future research. Firstly, the cross-sectional design restricts the ability to infer causality and observe changes over time, which means the study captures relationships at a single point rather than over a period. Future studies employing longitudinal designs could provide insights into the long-term effects of transformational leadership on employee outcomes (Bass, 1995). Additionally, the sample was collected using non-probabilistic convenience sampling, limiting the generalizability of the findings. Since participants were selected based on their availability, the sample may not accurately represent the larger population, introducing potential bias (Saunders et al., 2007). Expanding the sample to include a more diverse range of industries and geographic locations could improve the generalizability of the results. Moreover, the reliance on quantitative data restricts the depth of understanding regarding the leadership dynamics explored in this study. While statistical analysis offers valuable insights, combining quantitative methods with qualitative approaches, such as interviews or case studies, could provide a richer exploration of transformational leadership's impact (Babbie, 2016). Lastly, the measurement scales used, although validated in previous research, could be subject to response bias due to the self-reported nature of the survey data. Future research might consider triangulating survey responses with objective performance metrics to address this limitation.

#### **6.4 Suggestions for Future Research**

To obtain richer insights on the topic, several suggestions for future research can be made. First, employing a probabilistic sampling approach could enhance the precision of the results and reduce the risk of sampling bias, as it would allow for a more representative sample of the larger population. Expanding the sample to include participants from

various industries and geographic locations would also provide a broader understanding of the impact of transformational leadership across different organizational contexts (Saunders et al., 2007). Additionally, integrating qualitative methods alongside the quantitative approach could offer a more comprehensive view of the dynamics at play. For instance, conducting interviews or focus groups with employees could yield deeper insights into the mechanisms through which transformational leadership affects commitment, engagement, and performance. This mixed-method approach would help clarify the subtleties that quantitative data alone may not capture (Babbie, 2016). Moreover, future research could explore additional mediating and moderating variables that influence the relationship between transformational leadership and employee outcomes. Factors such as organizational culture, team dynamics, or psychological safety could provide further insights into how transformational leadership operates in different settings. Lastly, applying alternative theoretical frameworks beyond transformational leadership, such as servant leadership or authentic leadership, could offer new perspectives on effective leadership strategies in contemporary organizational environments.



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## APPENDIX

## Appendix 1: Constructs measurements scales

Construct	Author of reference	Original Scale	Adapted Scale
Transformational leadership	Dai et al., 2013	1. The supervisors can understand my situation and give me encouragement and assistance. 2. The supervisor encourages me to take challenges. 3. I believe the supervisor can overcome any challenge at work. 4. The supervisor encourages us to make efforts towards fulfilling the company vision. 5. The supervisor encourages me to think about problems from a new perspective. 6. The supervisor encourages me to rethink opinions that have never been doubted in the past. 7. I believe I can complete my work under the leadership of the supervisor. 8. The supervisor spends time to understand my needs.	1. My supervisor understands my work situation and provides encouragement and support to inspire me to excel in my role. 2. My supervisor encourages me to take on challenges and think creatively to solve problems. 3. I have confidence in my supervisor's ability to overcome challenges in the workplace, and this inspires me. 4. My supervisor motivates us to work diligently toward achieving the company's vision and goals. 5. My supervisor encourages me to approach problems from fresh and innovative perspectives. 6. My supervisor fosters an environment where I feel comfortable reevaluating opinions and ideas, even those previously unquestioned. 7. I have faith in my supervisor's leadership, which empowers me to successfully fulfil my work responsibilities. 8. My supervisor dedicates time to comprehend my unique needs and concerns, providing personalised support.
Affective Organizational commitment	Meyer and Allen (1997)	1. I feel that the company and I respect very similar values. 2. For me, this company is the best option of all my job options. 3. I am proud to tell others that I am a part of this company. 4. Based on the current environment, I will stay with this company. 5. The company encourages me to pursue optimal performance at work. 6. To continue to stay in this company, I accept all work assigned.	1. My values align closely with the company's values. 2. Compared to my other job options, this company is my preferred choice. 3. I take pride in being associated with this company. I feel that, given my current circumstances, it makes sense to continue working with this company. 5. This company motivates me to strive for excellence in my job. 6. I accept all tasks assigned to me to maintain my employment with this company.
Employee Engagement	Wang et al. (2020)	1. At my work, I feel bursting with energy. 2. I am enthusiastic about my job. 3. My job inspires me. 4. When I get up in the morning, I feel like going to work. 5. I feel happy when I am working intensely. 6. I am proud of the work that I do. 7. am immersed in my job.	1. At my workplace, I feel energized. 2. I have a strong enthusiasm for my job. 3. My job serves as a source of inspiration for me. 4. Each morning, I look forward to going to work. 5. I experience joy when I'm deeply engaged in my work. 6. I take pride in the work I do. 7. I am fully absorbed in my job.
Job Satisfaction	Wang et al. (2020)	1. In my job, I feel that I am doing something worthwhile. 2. I feel that my job is interesting 3. I feel that my job is satisfying. 4. If I had to do it all over again, I would choose another job.	1. I believe my job serves a meaningful purpose. 2. I feel that my job is interesting and engaging. 3. My job brings me a sense of satisfaction. 4. If I had to do it all over again, I would choose the same job.
Job performance	Williams and Anderson 1991	1. Adequately completes assigned duties. 2. Engages in activities that will directly affect his or her performance evaluation. 3. Fails to perform essential duties. (R) 4. Fulfills responsibilities specified in job description. 5. Meets formal performance requirements of the job. 6. Neglects aspects of the job he or she is obliged to perform. 7. Performs tasks that are expected of him or her.	1. I consistently complete my assigned duties adequately. 2. I consistently engage in activities that directly affect my performance evaluation. 3. I occasionally fail to perform essential duties. (Requires attention) 4. I consistently fulfill responsibilities specified in my job description. 5. I consistently meet the formal performance requirements of my job. 6. I occasionally neglect aspects of the job I am obliged to perform. 7. I consistently perform tasks that are expected of me.

## Appendix 2: Screenshots of the questionnaire



I am Veronica Gevorgian, a student at the University of Lisbon, and I am currently working on my dissertation titled "The Impact of Transformational Leadership on Employee Performance and Organisational Commitment."

Your participation in this survey is crucial to gaining insights into the complex relationship between transformational leadership, employee performance, and organizational commitment. Your insights are invaluable, and your responses will significantly contribute to the outcomes of this study.

I want to assure you that your responses will be kept confidential, and your identity will remain anonymous. Participation is voluntary, and you can withdraw at any time without consequence.

If you have any questions or need further clarification, feel free to contact me at [v.gevorgyan@aln.iseg.ulisboa.pt](mailto:v.gevorgyan@aln.iseg.ulisboa.pt).

Thank you for being a crucial part of this academic endeavor!

Are you currently employed?

- ☐ No  
☐ Yes

What is the industry/field you work in?

- ☐ Technology/IT  
☐ Healthcare  
☐ Finance  
☐ Education  
☐ Manufacturing  
☐ Other

Company Size:

- ☐ Small (1-50 employees)  
☐ Medium (51-500 employees)  
☐ Large (501+ employees)

Position or Role:

- ☐ Entry-level  
☐ Mid-level  
☐ Senior-level  
☐ Executive/Leadership  
☐ Other

Below are statements related to transformational leadership; kindly rate your agreement on a scale from 1 (strongly disagree) to 7 (strongly agree).

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
My supervisor understands my work situation and provides encouragement and support to inspire me to excel in my role.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My supervisor encourages me to take on challenges and think creatively to solve problems.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I have confidence in my supervisor's ability to overcome challenges in the workplace, and this inspires me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My supervisor motivates us to work diligently toward achieving the company's vision and goals.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



Below are statements related to affective organisational commitment; kindly rate your agreement on a scale from 1 (strongly disagree) to 7 (strongly agree).

[illegible]

Below are statements related to employee engagement; kindly rate your agreement on a scale from 1 (strongly disagree) to 7 (strongly agree).

	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree
At my workplace, I feel energized.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I have a strong enthusiasm for my job.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My job serves as a source of inspiration for me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Each morning, I look forward to going to work.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I experience joy when I'm deeply engaged in my work.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I take pride in the work I do.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am fully absorbed in my job.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Below are statements related to job satisfaction; kindly rate your agreement on a scale from 1 (strongly disagree) to 7 (strongly agree).

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
I believe my job serves a meaningful purpose.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel that my job is interesting and engaging.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My job brings me a sense of satisfaction.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If I had to do it all over again, I would choose the same job.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Below are statements related to job performance; kindly rate your agreement on a scale from 1 (strongly disagree) to 7 (strongly agree).

	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree
I consistently complete my assigned duties adequately.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I consistently engage in activities that directly affect my performance evaluation.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I occasionally fail to perform essential duties.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I consistently fulfill responsibilities specified in my job description.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I consistently meet the formal performance requirements of my job.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I occasionally neglect aspects of the job I am obliged to perform.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I consistently perform tasks that are expected of me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Where do you currently live?

- ☐ Western Europe  
☐ Eastern Europe  
☐ Southern Europe  
☐ Northern Europe  
☐ Other

Your current work location:

- ☐ Onsite at company office  
☐ Remote/Telecommuting  
☐ Hybrid (combination of onsite and remote)  
☐ Other

How would you describe your daily commute to work?

- ☐ By car  
☐ By bus / train  
☐ Walking  
☐ Remote/telecommute  
☐ Other

Your age:

- ☐ Under 18  
☐ 18 - 24  
☐ 25 - 34  
☐ 35 - 44  
☐ 45 - 54  
☐ 55 - 64  
☐ 65 - 74  
☐ 75 - 84  
☐ 85 or older

Your gender:

- ☐ Male  
☐ Female  
☐ Other  
☐ Prefer not to say

Your education:

- ☐ High School  
☐ Bachelor's Degree  
☐ Master's Degree  
☐ Ph.D. or equivalent  
☐ Other

Your lifestyle:

- ☐ Active and outgoing  
☐ Career-focused  
☐ Family-oriented  
☐ Introverted and reserved

Your financial situation:

- ☐ Extremely uncomfortable  
☐ Somewhat uncomfortable  
☐ Neither comfortable nor uncomfortable  
☐ Somewhat comfortable  
☐ Extremely comfortable

How comfortable are you with adopting new technologies?

- ☐ Extremely uncomfortable  
☐ Somewhat uncomfortable  
☐ Neither comfortable nor uncomfortable  
☐ Somewhat comfortable  
☐ Extremely comfortable

**Appendix 3: Demographic statistics****Employment Status**

	Frequency	Percent
Employed	151	96.0%
Not Employed	29	4.0%

**Role Distribution**

	Frequency	Percent
Executive/Leadership	68	45.0%
Senior Level	30	19.9%
Mid Level	25	16.6%
Entry Level	22	14.6%
Other	6	4.0%

**Commute Mode Distribution**

	Frequency	Percent
Walking	33	21.9%
Remote	27	17.9%
Car	50	33.1%
Public Transport	35	23.2%
Other	6	4.0%

**Education Level Distribution**

	Frequency	Percent
Master's	82	54.3%
Bachelor's	44	29.1%
PhD	17	11.3%
High School	8	5.3%

**Technology Adoption Distribution**

	Frequency	Percent
Somewhat Comfortable	51	33.8%
Extremely Comfortable	46	30.5%
Somewhat Uncomfortable	22	14.6%
Neutral	32	21.2%

**Industry Distribution**

	Frequency	Percent
Education	29	19.2%
Technology	16	10.6%
Finance	16	10.6%
Manufacturing	16	10.6%
Healthcare	10	6.6%
Other	64	42.4%

**Location Distribution**

	Frequency	Percent
Western Europe	56	37.1%
Southern Europe	33	21.9%
Eastern Europe	28	18.5%
Northern Europe	16	10.6%
Outside Europe	18	11.9%

**Age Distribution**

	Frequency	Percent
18 - 24	30	19.9%
25 - 34	71	47.0%
35 - 44	34	22.5%
45 - 54	12	7.9%
Under 18	2	1.3%
55 - 64	2	1.3%

**Lifestyle Distribution**

	Frequency	Percent
Career-focused	68	45.0%
Active/Outgoing	39	25.8%
Introverted/Family	22	14.6%

**Company Size Distribution**

	Frequency	Percent
Small (1-50)	102	67.5%
Medium (51-500)	26	17.2%
Large (501+)	23	15.2%

**Work Mode Distribution**

	Frequency	Percent
Hybrid	64	42.4%
Fully Remote	46	30.5%
Onsite	35	23.2%
Other	6	4.0%

**Gender Distribution**

	Frequency	Percent
Female	74	49.0%
Male	67	44.4%
Other	8	5.3%
Prefer Not to Say	2	1.3%

**Financial Situation Distribution**

	Frequency	Percent
Somewhat Comfortable	58	38.4%
Neutral	48	31.8%
Uncomfortable	28	18.5%
Extremely Comfortable	11	7.3%
Extremely Uncomfortable	6	4.0%

**Table IV:** Cross Loadings for Indicator Validity

	<b>AOC</b>	<b>EE</b>	<b>JP</b>	<b>JS</b>	<b>TL</b>
<b>AOC1</b>	0.789	0.71	0.516	0.736	0.577
<b>AOC2</b>	0.792	0.511	0.318	0.529	0.579
<b>AOC3</b>	0.883	0.451	0.211	0.532	0.645
<b>AOC4</b>	0.679	0.498	0.514	0.52	0.497
<b>AOC5</b>	0.725	0.498	0.187	0.475	0.53
<b>AOC6</b>	0.488	0.491	0.312	0.414	0.357
<b>EE1</b>	0.568	0.643	0.348	0.668	0.373
<b>EE2</b>	0.51	0.828	0.601	0.741	0.255
<b>EE3</b>	0.593	0.796	0.502	0.8	0.357
<b>EE4</b>	0.59	0.713	0.454	0.715	0.313
<b>EE5</b>	0.564	0.926	0.589	0.726	0.408
<b>EE6</b>	0.442	0.748	0.546	0.638	0.226
<b>EE7</b>	0.584	0.723	0.444	0.687	0.343
<b>JP1</b>	0.347	0.522	0.779	0.537	0.153
<b>JP2</b>	0.352	0.463	0.691	0.379	0.133
<b>JP4</b>	0.238	0.404	0.63	0.419	0.043
<b>JP5</b>	0.404	0.548	0.867	0.616	0.027
<b>JP7</b>	0.31	0.432	0.675	0.269	0.042
<b>JS1</b>	0.481	0.647	0.582	0.73	0.338
<b>JS2</b>	0.65	0.778	0.445	0.836	0.387
<b>JS3</b>	0.548	0.755	0.517	0.807	0.374

<b>JS4</b>	0.614	0.715	0.42	0.784	0.363
<b>TL1</b>	0.655	0.401	0.099	0.459	0.929
<b>TL2</b>	0.603	0.361	0.15	0.399	0.847
<b>TL3</b>	0.538	0.327	0.074	0.371	0.759
<b>TL4</b>	0.593	0.213	-0.095	0.247	0.669
<b>TL5</b>	0.419	0.255	0.077	0.296	0.596
<b>TL6</b>	0.321	0.276	0.11	0.26	0.516
<b>TL7</b>	0.428	0.208	0.123	0.199	0.54