

## The Effect of Transformational Leadership and Organizational Citizenship Behavior on Employee Performance in ABC Hotel

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### ABSTRACT

*Transformational leadership and organizational citizenship behavior (OCB) are critical elements to enhance employee performance in an organization. However, nearly 90% of hotel had to lay off globally due to the COVID-19 pandemic. Malaysia's leadership also has been out of focus for many years and most of the organizations do not realize the importance of OCB in the workplace. Hence, the objectives of this research are to measure the level of employee performance, and to identify the relationship and the effect of transformational leadership and OCB on employee performance in ABC Hotel. The research was a cross-sectional study, and a quantitative method was utilized. The questionnaire was adopted from previous research while the validity and reliability were shown in a high level. The data was collected through Google Forms from 122 employees in the target population by using stratified random sampling. The return rate reached 95.08%. The results of the current study provide empirical evidence on key issues related to transformational leadership and OCB of employees in ABC Hotel. Findings have shown a high level of employee performance with a positive relationship between transformational leadership ( $r=0.742$ ) and OCB ( $r=0.638$ ) with employee performance. The main result also showed that transformational leadership ( $r^2=0.759$ ) and OCB ( $r^2=0.688$ ) have a significant effect on employee performance. In conclusion, this research provides clear direction to stakeholders on the existing transformational leadership and OCB for the improvement in employee performance at ABC Hotel and other private sectors.*

**Keywords:** employee performance, transformational leadership, organizational citizenship behavior (OCB)

## INTRODUCTION

Globalization and technological advancement are indisputably interrelated. The utilization of technology in developing nations had significant impacts on their economies. Therefore, Malaysia is making an effort to become a developed country and making progress towards achieving the status of a high-income nation (Izzani, 2023). However, human capital remains an essential asset in driving economic growth and innovation although technology has undoubtedly transformed the economy. Synchronously, human capital plays a vital role in the service sector. Employees are often required to interact with customers, understand their needs, and provide personalized services to meet their requirements. The aftermath of the pandemic has resulted in the emergence of novel technologies, business practices, and a change in how we perceive workspaces, from physical offices to digital realms. With the recovery from the pandemic, many individuals have adopted digital communication and are involved in relationships based on the internet. Hence, an organization must pay attention to creating a new wave of thinking in leadership and organizational studies to achieve its plans and goals as the organization recovers from the pandemic. According to the Mostafa Sayyadi, Cahri and Afaim (2022), attempting to become a transformational leader is suggested to make appropriate decisions for the followers. This can lead to higher levels of employee engagement, which has been linked to improved employee performance. Furthermore, based on Organization Psychology Degree (2022), organizational citizenship behaviour (OCB) can be advantageous for colleagues and the company by improving overall efficiency although not an inherent part of the job.

According to the World Health Organization (2023), 104 countries reported COVID-19 cases and 43 countries reported COVID-19 deaths during the 28-day period from 23 October to 19 November 2023. The mention of deaths underscores the ongoing public health challenges and the persistence of the endemic as a significant global health concern. Therefore, remote work has become a crucial strategy to mitigate the impact of the endemic on businesses and economies. However, new challenges have emerged such as managing and motivating remote teams, ensuring work-life balance, and addressing mental health concerns. There has statistic before show that the COVID-19 pandemic's prolonged impact on a global scale has led to a consistent increase in working-hour losses throughout 2021. This has resulted in a total shortfall of 4.8 percent in working hours during the first quarter, which slightly decreased to 4.4 percent in the second quarter (Department of Statistic Malaysia Official Portal, 2021). In the first quarter, this deficit was equivalent to 140 million full-time workers, while in the second quarter it was equal to 127 million full-time positions. Consequently, the unemployment rate in all sectors increased from 1.3% to 2.2%. Although employment rates began to rebound within a few months, unemployment still remained high, especially in the service sector. For example, a recent survey of members of the American Hotel & Lodging Association (AHLA) reveals the pandemic's persistent detrimental impact on the hotel business and its workers. According to the statistics, nearly 90% of hotels had to lay off or furlough personnel as a result of the COVID-19 outbreak and the consequent decline in travel (American Hotel & Lodging Association (AHLA), 2020). It could lead to increased job insecurity and stress among employees, which could negatively impact their performance. Based on American Psychological Association (2020), it shows more than 60% of employees reported increased stress and worry as a result of the COVID-19 pandemic, which can have a detrimental influence on employee performance and productivity.

In addition, employee-related issues or utility costs are among the top obstacles to the global hotel and travel industry professionals. Unluckily, it has become a real statement of low productivity of the hotel and travel industry in recent years. Based on United Nations World Tourism Organization (UNWTO) World Tourism Organization (2022), Malaysia's statistics, it has shown a total number of 26,100,784 arrivals of non-resident tourists in the year 2019. But in the year 2021, the number decreased to 134,728 arrivals of non-resident tourists which means that there has been a decreasing relationship between the total numbers of arrivals of non-resident tourists at the national border in Malaysia in recent years. The decreasing number of arrivals of non-resident tourists to Malaysia has absolutely caused the low productivity of the hotel, and travel industry occurred. As a result of low productivity, employees can cause stress and anxiety, especially if they are under pressure to perform (MBA Knowledge Base, 2021). For example, according to the portal ABC Hotel (2023), there has bad reviews towards poor

employee performance occurred. There has been a complaint about the unfriendly attitude of the receptionist when checking in to the hotel. These problems have led to a poor experience or dissatisfaction among the customers, and they might not visit the hotel again.

Furthermore, previous research in the transformational leadership field provides empirical proof of this variable's positive effects on frontline employee performance (Buil, Martinez and Matute, 2019). Unfortunately, according to Lo (2020) our political leaders have decided to disregard the fact that Malaysian leadership has been out of focus for many years. It means that lacking leadership in most organizations, especially in Malaysia, led to a severe problem affecting employee performance and economic growth, whether in the manufacturing or service sector. Moreover, organizational citizenship behavior can create a relaxed atmosphere in the workplace in improving the effectiveness and productivity of the organization (Hermawan, Thamrin and Susilo, 2020). Regrettably, most organizations do not realize the importance of organizational citizenship behavior in the workplace and have ignored it. There has a limited knowledge about organizational citizenship behavior among most of the organization.

### **Research Objectives**

- (i) To measure the level of employee performance at ABC Hotel.
- (ii) To identify the relationship between transformational leadership and organizational citizenship behavior with employee performance in ABC Hotel.
- (iii) To determine the effect of transformational leadership and organizational citizenship behavior towards employee performance at ABC Hotel.

## **LITERATURE REVIEW**

### **Employee performance**

Employee performance defined as an achievement stage refers to a significant work accomplishment attained by an individual within the organization (Eliyana, Ma'arif & Muzakki, 2019). High-performing employees are individuals who consistently achieve or exceed performance standards, deliver high-quality work, and make a positive impact on the organization as a whole. It can measure according four aspect which are quality, quantity, effectiveness and accuracy.

Quality refers to a product, service, or process's traits, properties, or characteristics that meet or exceed customers' expectations and desires (Ridwan, Mulyani & Ali, 2020). It indicates how well a good or service satisfies the needs and wants of its customers as well as accomplishes its primary objective. In addition, quantity reflects the volume of output created, which is often stated in terms of the number of units or completed activity cycles (Hermawan, Thamrin & Susilo 2020). It denotes a certain entity's numerical count, volume, or size. Moreover, effectiveness refers to the amount to which organizational resources are used to maximize profits or minimize losses for each unit while using those resources (Hermawan, Thamrin & Susilo 2020). It measures how successfully something accomplishes its intended goals or produces the desired effects. Furthermore, accuracy entails matching the timing of operations to the output outcomes while optimizing the available time for additional duties (Hermawan, Thamrin & Susilo 2020). It evaluates how accurate a measurement, calculation, or piece of data is in relation to its intended or true value. It is a crucial trait for guaranteeing the accuracy and dependability of data, outcomes, and procedures.

### **Transformational Leadership**

Transformational leadership is characterized by the combination of creative insight, tenacity, enthusiasm, intuition, and employee sensitivity. Its major goal is to achieve organizational goals or aspirations while significantly influencing and impacting individuals within the organization (Prabowo, Noermijati & Irawanto, 2018). It consists of four aspect which are idealize influence, inspirational motivation, intellectual stimulation and individualize consideration.

Idealized influence also known as charisma. It is the characteristic which the leaders inspire followers with confidence and inspiration, resulting in adoration and a desire to emulate their acts and behaviors (Astuty & Udin, 2020). Furthermore, inspirational motivation possess the capability of transformational leader to inspire followers by igniting enthusiasm, highlighting positive outcomes, and motivating them to take action. It entails tapping into people's inherent drive, passion, and goals, driving them to go above and beyond what is required and attain their full potential (Kalsoom, Khan and Zubair, 2018). Intellectual stimulation encompasses leaders who foster creativity and innovation among their followers by presenting challenging new ideas and alternative problem solving approaches (Buil, Martinez & Matute 2019). Additionally, individualized consideration refers to the transformational leaders assume the roles of coach and mentor, demonstrating attentiveness to the needs and emotions of their followers (Kalsoom, Khan and Zubair, 2018).

### **Organizational Citizenship Behavior**

OCB is the term used to describe employees' discretionary and voluntary behaviors within an organization that do not directly pertain to their formal job responsibilities but nevertheless enhance its effectiveness and overall well-being (Alhashedi, Bardai, Al-Dubai & Alaghbari, 2021). These actions go beyond the formally stated requirements for the job and are neither explicitly rewarded nor required by the company. It can measure according five aspect which are altruism, conscientiousness, sportsmanship, courtesy and civic virtue.

Altruism as a component of OCB, it describes the voluntarily performed acts of generosity and kindness by staff members within an organization. In the workplace, altruistic behaviors include helping and encouraging colleagues or going above and beyond to serve others without expecting anything in return (Ridwan, Mulyani and Ali, 2020). Moreover, conscientiousness refers to a person's propensity to take ownership of their job and go above and beyond to perform duties successfully and quickly (Hermawan, Thamrin & Susilo, 2020). It entails carrying out one's duties with a high degree of dedication, thoroughness, and attention to detail. Sportsmanship is individuals at work have a cooperative and pleasant attitude (Basu & Pradhan, 2017). It requires displaying effective interpersonal skills, sustaining cordial connections with colleagues, and adopting practices that foster a helpful and respectful work environment. Besides that, courtesy is a discretionary behavior exhibited by employees (Lay, Basana and Panjaitan, 2020). It means the behavior of kind, respectful, and considerate in addition to what is required by the organization's formal rules and regulations. Civic virtue refers to an employee's active participation in organizational activities outside the scope of their formal work duties (Hermawan, Thamrin & Susilo, 2020). In order to improve the organization as a whole, employees must actively and knowingly engage in certain behaviors.

### **Hypothesis Development**

The hypothesis development in this research is determined the relationship between independent variables and dependent variables which are transformational leadership and employee performance and organizational citizenship behavior and employee performance.

### **Transformational leadership and employee performance**

Transformational leadership is a type of leadership that emphasizes encouraging and motivating followers to achieve better levels of performance and personal growth. Furthermore, an organization's employee performance that effectively manages its available resources reflects its success. Both of them are interrelated, which has been proven by previous research. According to Ang & Chan (2019), the findings stated that transformational leadership has a positive relationship with employee performance. It was supported by 165 respondents in the manufacturing industry in Batu Pahat. Eliyana, Ma'arif and Muzakki (2019) also proof that transformational leadership has significant impact on employee performance with the research carry on Pelabuhan Indonesia III that consist of 30 respondents. According to Astuty & Udin (2020), the findings show 103 respondents who work in stone milling companies in Central Java, Indonesia agreed that transformational leadership plays a crucial role in

influencing employee performance. It is because transformational leaders effectively merge employees' work responsibilities with a compelling vision, which fosters a sense of meaningfulness in their work and consequently stimulates enhanced employee performance. At the same time, Kalsoom, Khan and Zubair (2018) also proved that transformational leadership has a strongly positive correlation with employee performance. The result showed the FMGC Company in Pakistan had shown transformational leadership in relation to employee performance, supported by 318 employees as respondents. Furthermore, based on Tania, Haryadi, Wahyudi and Khairusy (2021), the research contains 68 respondents in PT.BPRS Cilegon Mandiri Indonesia, supported that transformational leadership has a positive and significant effect on employee performance. In other words, as the degree of transformational leadership increases, so the level of employee performance also will increase. This statement is also stated in the research of Buil, Martinez and Matute (2019). The 323 frontline hotel employees of three, four and five-star hotels in Spain acted as respondents in the research. They have agreed that transformational leadership directly predict employee performance.

Based on Arman, Wardi and Evanita (2019), the research also shows that transformational leadership is an essential part of influencing employee performance. The research was conducted with 47 respondents in the Faculty of Economics, State University of Padang. The finding indicates that transformational leadership contributed to employee performance. Moreover, the research carried out in the representatives' construction industry in China which involved five provinces (Jiangsu, Zhejiang, Guangdong, Hubei and Shandong) and one distinct (Shanghai), showed a positive relationship between transformational leadership and employee performance (Jiang, Zhao and Ni, 2017). The result was supported by 389 respondents. Transformational leaders aim to connect with their subordinates, generating a collaborative and transformative atmosphere will that contributes to the long-term enhancement of relationships and performance. In addition, the research in PT. Waruna Shipyard Indonesia, with 100 permanent employees as respondents, concluded that leaders who have the characteristic of transformational leadership could improve the performance of employees, which means both of them are interrelated.

Unfortunately, Prabowo, Noermijati and Irawanto (2018) stated that leaders frequently neglect the specific attributes of transformational leadership and instead focus on implementing the characteristic associated with the lowest value. Hence, the research with 78 respondents of Hotel Kartika Graha Malang in Indonesia shows that transformational leadership has no significant influence on employee performance. Based on Vipraprastha, Sudja and Yuesti (2018), the research carried out in PT. Sarana Arga Gemeh Amerta (SAGA) Denpasar in Indonesia, with 88 respondents, shows the leadership possesses a weaker transformational leadership style will likely result in a decrease in employee performance. This means that transformational leadership does not affect employee performance.

In short, most of the previous studies showing the positive relationship between transformational leadership and employee performance, thus,

***H1: Transformational leadership has a positive relationship towards employee performance***

### **Organizational citizenship behavior and employee performance**

Organizational citizenship behavior includes the dimension of altruism, courtesy, sportsmanship, civic virtue and conscientiousness, which are interrelated with employee performance. This statement has been proven by previous studies. According to Hermawan, Thamrin and Susilo (2020), the research included 200 respondents which was carried out in the manufacturing industry in Tangerang, Indonesia. It has shown a statistical result that organizational citizenship behavior has a significant effect on employee performance. An exemplary implementation of the aspects of OCB can improve employee performance. Besides that, the hypothesis testing of the research from Ridwan, Mulyani and Ali (2020) also stated that organizational citizenship behavior would influence employee performance. There have 211 respondents from SPMI Private University in West Sumatra proved that the dimension of organizational citizenship behavior which predominantly affects employee

performance is conscientiousness. At the same time, better organizational citizenship behavior will show higher employee performance since their relationship is positive (Hidayah & Harnoto, 2018). The research carries out in Baitul Maal Wat Tamwil (BMT) in Central Java, Indonesia, shows the dimension of OCB has played an important role in determining employee performance. This statement was also supported by Tania, Haryadi, Wahyudi and Khairusy (2021). There have 68 respondents in PT.BPRS Cilegon Mandiri Indonesia supported that the higher the employee who has OCB, the higher the employee performance.

In addition, the research carried out in PT Surya Dermato Medica in Palembang with 51 employees respondents stated that organizational citizenship behavior has a positive and significant effect on employee performance (Triani, Halin and Wadud, 2020). The result was also supported by the research of Lay, Basana and Panjaitan (2020) in Fave Hotel Rungkut Surabaya, Indonesia. The 52 respondents agreed that organizational citizenship behavior would impact employee performance. The employees recognize and value the rights granted to them by the company, which creates positive organizational citizenship behavior. At the same time, employee performance improved. Moreover, the research of Kissi, Asare, Agyekum, Ayemang and Labaran (2019) also stated that organizational citizenship behavior has positively affected employee performance in the construction industry, Ghanaian. The research consists of 88 respondents, including quantity surveyors, architects, structural engineers and service engineers because they work together as advocates for clients to achieve their objectives. Furthermore, previous researchers carry out some research using organizational citizenship behavior as mediating variable effect on employee performance. According to Sugianingrat, Widyawati, Costa, Ximenes, Piedade and Sermawa (2019), OCB acts as mediating variable and positively impacts employee performance. The result shows 120 respondents in non-star hotels in the Sarbagita area of Bali agreed that OCB could improve employee performance, although it does not directly impact employee performance. In addition, Supriyanto, Ekowati and Maghfuroh (2020) carry out research in Bank BRI Syariah Malang with 154 employees as respondents. It shows the result of organizational citizenship behavior positively mediates the effect on employee performance. The increase of OCB, such as volunteering to assist colleagues actively or participating in supporting organizational functions, will contribute to the improvement of overall performance.

As a result of the previous studies showing the positive relationship between organizational citizenship behaviour and employee performance, therefore,

*H2: Organizational citizenship behaviour has a positive relationship towards employee performance.*

## **RESEARCH METHODOLOGY**

### **Research Design**

The research is a cross-sectional study and most of the previous study has opted for a quantitative research approach, as it was an appropriate for investigating the similar variables and achieving the research objectives. Hence, this study utilizes the quantitative method as a research design to explain the impact among variables or the interrelationship that exists between variables by means (Eliyana, Ma'arif, Muzakki, 2019). The survey questions were conducted and had achieved high value of reliability and validation from industry or academic experts.

### **Data Collection**

In this study, primary data collected by the researcher is through questionnaire due to its effectiveness at collecting standardized data from a significant number of respondents. The respondents were invited to participate in an online survey to provide their feedback and information. The researcher chooses to use stratified random sampling which to increase precision because it enables researchers to concentrate their sampling efforts on particular interest subgroups. Due to the hotel employees comprises individuals from various countries, some of whom may have limited comprehension of the

questionnaire, hence the questionnaire was only administered to all the local employees which is 122 employees in total through an online survey platform, "Google Forms". The recipient (branch manager) sent the link of the Google Form to their colleagues after received an email with Google Form link. For secondary data collection, the researcher is carried out by a literature study which refer from e-book and database from articles and journals such as Google Scholar and Springer.

## **Data Analysis**

There had a total of 77 questions for the questionnaire and it is divided into four section which included section A, B, C and D. Section A is demographic section which explained about the background of the respondent. Section B and C is involved the questions about the independent variables. For instance, section B is to determine the transformational leadership towards employee performance while section C is to identify the organizational citizenship behavior towards employee performance. At the same time, section D is the questions related to measure the level of employee performance which is the dependent variable in this research. Lastly, section E is an open-ended question which is regarding to the opinion of the respondents about transformational leadership and OCB (Table 3.1 as shown in Appendix A).

After the questionnaire is completed, the data was imputed and analyzed using the Statistical Package for the Social Sciences (SPSS) Version 27. In this research, descriptive analysis and inferential analysis are used. Descriptive analysis was conducted to obtain the mean score, frequency and percentage of all variables to measure the level of employee performance. For inferential analysis, the bivariate and correlation analysis was used for hypothesis testing while linear regression was used to determine the effect of independent variables (transformational leadership and OCB) and the dependent variable (employee performance).

## **FINDINGS & DISCUSSION**

### **Response Rate**

In this research, the initial population consisted of 122 respondents. According to the guidelines provided by GPower, a sample size of 76 respondents was required necessary for conducting this research. Given the relatively smaller population size, the researcher distributed 122 survey questionnaires via Google Forms to gather data from potential participants. Unfortunately, 116 respondents actively participated in the research, larger than the anticipated sample size as suggested by GPower. Hence, the research boasts a sufficient sample size, and an impressive 95.08% response rate from participants, making it well-suited for data analysis (Wu, Zhao and Aime, 2022).

### **Demographic Analysis of Respondents**

According to the demographic information of the respondents reveals that out of a total of 116 participants, 35 individuals (30.2%) are male, while the remaining 81 respondents are female, constituting 69.8% of the sample. The largest portion of respondents in this study falls within the age range of 26 to 35 years old, constituting 55 individuals or 47.4% of the total sample. Regarding the respondents' racial backgrounds, 73 out of the 116 participants are Malay, which are the highest amount. Furthermore, the majority of respondents in this study have accumulated 4 to 6 years of work experience at ABC Hotel with 59 individuals representing 50.9% of the total. In terms of the educational levels of respondents before joining ABC Hotel, the majority had completed their bachelor's degree, accounting for 56.9% which is 66 respondents. Lastly, the respondents who working at ABC Hotel, Kuala Lumpur has represented the highest percentage which is 60.3% with a total 70 respondents. While for the participants working at ABC Hotel, Penang consists of 27 respondents (23.3%). The remaining 19 respondents are working at ABC Hotel, Pahang which represented 16.4%.

### **Descriptive Statistic Analysis**

(a) *The Level of Employee Performance at ABC Hotel*

**Table 4.2:** Level of Independent and Dependent Variables

No	Variables		Frequency	Percentage (%)
1.	Transformational Leadership	High	98	84.5
		Moderate	16	13.8
		Low	2	1.7
		<b>Total</b>	<b>116</b>	<b>100.0</b>
2.	Organizational Citizenship Behaviour (OCB)	High	95	81.9
		Moderate	21	18.1
		Low	0	0.0
		<b>Total</b>	<b>116</b>	<b>100.0</b>
3.	Employee Performance	High	101	87.1
		Moderate	14	12.0
		Low	1	0.9
		<b>Total</b>	<b>116</b>	<b>100.0</b>

Table 4.2 represents the results for identifying the level of employee performance. Based on the table, it is showed that there are total 101 respondents, which equal to 87.1% are having high level of employee performance in ABC Hotel. While the rest of the 14 respondents are having moderate level of employee performance, which equal to 12%. Unfortunately, the low level of employee performance still shows 0.9% which is only 1 employee. These findings find support in earlier research, which indicated that when responses to the questionnaire ranged from 3.68 to 5.00, this was regarded as indicative of a high level of employee performance (Affandi, 2020). In other words, previous studies have shown that when survey participants consistently rated various aspects of employee performance within this range on the questionnaire, it signified that the employees were performing at a commendable level. In addition, the interview with the assistant supervisor of ABC Hotel, Madam Stephanie Kwong also indicated that there is a high level of cooperation among employees and their dedication to carefully following their leaders' directions (Indeed, 2023). It is obvious that leaders have a significant impact on their followers, and that impact is crucial in determining how followers behave and perform in their various responsibilities (Clarke & Mahadi, 2017). In essence, the effective leadership in the hotel contribute to high level of employee performance where they can excel in fulfilling their job responsibilities. Furthermore, Madam Stephanie Kwong also mentioned the presence of a positive work environment and strong interpersonal relationships among the hotel's employees (Cobler, 2018). Consequently, she believes that these factors also contribute to enhancing employee performance.

### **Bivariate Correlation Analysis**

Spearman's rho correlation coefficient was employed in this study due to the non-normal distribution of the data. IBM SPSS software was utilized to compute the Spearman's rho correlation coefficient, aiming to describe the relationship between the independent and dependent variables in the research.

(a) *Relationship between Transformational Leadership and Employee Performance*

*H1: Transformational leadership has a positive relationship on employee performance*



**Table 4.3:** Correlation coefficient of Transformational Leadership on Employee Performance

			<b>Transformational Leadership</b>	<b>Employee Performance</b>
<b>Spearman's rho (r<sub>s</sub>)</b>	<b>Transformational Leadership</b>	Correlation Coefficient	1.000	0.742**
		Sig. (2-tailed)	.	0.000
		N	116	116
	<b>Employee Performance</b>	Correlation Coefficient	0.742**	1.000
		Sig. (2-tailed)	0.000	.
		N	116	116

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Based on the collected and analyzed data in Table 4.3, with the R-value ( $r_s$ ) for Spearman's correlation coefficient of 0.742 and p-value is less than 0.05, it represents that there is a high positive and strong relationship between the transformational leadership and employee performance. The outcome indicated that the hypothesis for this research was accepted. The finding was equally with several past studies by Ang & Chan (2019), Tania, Haryadi, Wahyudi and Khairusy (2021), and Arman, Wardi and Evanita (2019). Previous research also proved that transformational leadership become a crucial leadership style in an organization (Buil, Martine and Matute, 2019). This is because transformational leadership fosters an environment of trust, motivation, and personal development, which can lead to improved employee performance by aligning their values and goals with those of the organization and by nurturing their skills and abilities (Kalsoom, Khan and Zubair, 2018). This situation can be concluded by Astuty & Udin (2020) which stated that the development of transformational leadership foster employee performance. When transformational leadership is effectively implemented, it serves as a catalyst for elevating employee performance levels to higher standards of excellence. This finding underscores the significance of leadership style in influencing and shaping the behaviors, attitudes, and overall output of employees within the workplace.

Furthermore, the respondents also provided feedback indicating that there exists a positive relationship between transformational leadership and employee performance. For example, the statement "my leader takes a personal interest in my development and growth," which encompasses the concept of individualized consideration within transformational leadership shows the highest mean score. The leaders can inspire and motivate employees on a personal level. When employees feel that their leader cares about their progress and is actively invested in helping them succeed, they are more likely to be engaged, motivated, and committed to their work (Buil et al., 2019). Hence, it can lead to improved performance as employees strive to meet and exceed expectations. Additionally, the statement, "my leader encourages me to take on new challenges and stretch my capabilities," reflects the essence of inspirational motivation within the framework of transformational leadership shows the second highest of mean score. The respondents believed that this practice has the potential to boost employee performance significantly when applied effectively. At the same time, the statement "my leader seeks differing perspectives when solving problems" and "my leader promotes a climate where it is safe to voice different opinions and perspectives" which encompasses the concept of intellectual stimulation also show the second highest of mean score. According to the respondents, they perceive intellectual stimulation as having the potential to significantly improved employee performance when it is implemented successfully. In other words, when leaders actively encourage the exchange of diverse ideas and foster an atmosphere where individuals feel safe to voice differing opinions, it not only promotes creativity and innovation but also motivates employees to perform at their best.

*(b) Relationship between Organizational Citizenship Behavior and Employee Performance*

*H2: OCB has a positive relationship on employee performance*

**Table 4.4:** Correlation coefficient of OCB on Employee Performance

			OCB	Employee Performance
Spearman's rho ( $r_s$ )	Organisational citizenship behaviour (OCB)	Correlation Coefficient	1.000	0.638**
		Sig. (2-tailed)	.	0.000
		N	116	116
	Employee Performance	Correlation Coefficient	0.638**	1.000
		Sig. (2-tailed)	0.000	.
		N	116	116

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Based on the collected and analysed data in Table 4.4, with the  $r$ -value ( $r_s$ ) for Spearman's correlation coefficient of 0.638 and  $p$ -value is less than 0.05, it represents that there is a moderate and positive relationship between the OCB, and employee performance. The outcome indicated that the hypothesis for this research was accepted. The finding was equally with several past studies such as Hermawan, Thamrin and Susilo (2020), Ridwan, Mulyani and Ali (2020), Tania, Haryadi, Wahyudi and Khairusy (2021) and Supriyanto, Ekowati and Maghfuroh (2020) that expressed their opinion where organizational citizenship behavior will positively affect the employee performance in an organization. The understanding gained from past research by Hidayah & Harnoto (2018) also clearly implies that improving employee performance at work is essential to establishing OCB. In other words, improving individual work performance is directly related to developing a workplace culture in which employees voluntarily go above and beyond their assigned responsibilities and actively contribute to the advancement of the organization. This can supported by Lay, Basana and Panjaitan (2020) which mentioned that OCB encompasses voluntary actions taken by employees to assist their colleagues and align themselves with the overarching goals of the organization. It fosters an environment of cooperation, encourages the exchange of knowledge, and acts as a catalyst for skill development. These elements converge to create a holistic framework that contributes significantly to the overall enhancement of employee performance, ultimately benefiting both the individuals and the organization as a whole (Kissi, Asare, Agyekum, Ayemang and Labaran, 2019).

Furthermore, the respondents also provided feedback indicating that there exists a positive relationship between organizational citizenship behavior and employee performance. For example, the statements, "there exists atmosphere which enables employees to raise to the occasion voluntarily for relevant problems that stands before organization growth" and "we see positive exponential growth when the work group demonstrates altruism in specific problem times" encompass the idea of altruism within OCB and achieved the highest average scores in our survey. In these statements, the researcher is referring to a workplace culture where employees willingly step up to tackle important issues that have an impact on the organization's advancement. According to the respondents, when such an environment exists, it not only fosters teamwork but also results in positive growth for the organization, particularly during challenging times. When workgroups collectively demonstrate altruistic behaviors, it creates a synergy that helps the organization overcome obstacles and improve employee performance more effectively. Moreover, the statement "my organization makes me more enthusiastic about my job" encompass the idea of conscientiousness within OCB and achieved the second highest average scores in the survey. In this statement, the researcher is referring to the organization's ability to instill a strong sense of enthusiasm and dedication in its employees toward their job roles. According to the respondents, when an organization succeeds in creating an environment that fosters enthusiasm among its employees, it has a significant impact on their performance and dedication. When employees feel genuinely excited and motivated by their work, they tend to invest more effort, maintain a positive attitude, and consistently deliver high-quality results.

### Linear Regression Analysis

#### (a) *The Effect of Transformational Leadership and Employee Performance*

**Table 4.5 (a): Model Summary and Regression Coefficients of Employee Performance**

<b>Model Summary</b>						
<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted Square</b>	<b>R</b>	<b>Std. Error of the Estimate</b>	<b>Durbin-Watson</b>
1	0.759	0.575	0.572		0.401	1.911
a. Predictors: (Constant), Transformational Leadership						
b. Dependent Variable: Employee Performance						

**Table 4.5 (b): Model Summary and Regression Coefficients of Employee Performance**

<b>Dependent Variables</b>	<b>Unstandardized Coefficients</b>		<b>Sig.</b>
	<b>Beta, <math>\beta</math></b>	<b>Std. Error</b>	
Employee Performance	0.679	0.055	0.000

Tables 4.5(a) and (b) shows the overall result of regression analysis which is used to achieve the second objective of this research. The regression analysis between the transformational leadership and employee performance can be indicated by the R-value in the table, which is 0.759. It considers a good value because it is closed to 1. The R square is 0.575, represents that 57.5% of the variance is accounted for employee performance by transformational leadership. The standard error of the estimate is known for identifying the accuracy from the prediction. The smaller the value for standard error of the estimate indicates that the higher prediction will be more accurate. The value for standard error of the estimate is 0.401, which represents a good value for this research. Lastly, the better range for Durbin-Watson statistics value is within 1 to 4. The value for Durbin-Watson in this research is 1.911, which indicates that the independence of observations for the research data has been achieved.

The  $\beta$ -value as shown in table is 0.679, which means that when the transformational leadership changes by one unit, employee performance is predicted to increase by 67.9% at the same time. While the standard error is known for identifying the average distance between the values that have been observed fall from the line of regression. The smaller the value for standard error indicates that the observations are closer to fitted line. The standard error is 0.055, which represents observed values are closer to the fitted line. The p-value (Sig.) is less than 0.05, which indicates that the transformational leadership in ABC Hotel has significant affect towards the employee performance at the working environment. The findings of this research align with a prior study conducted by Eliyana, Ma'arif and Muzakki (2019), which also provided evidence of the significant impact of transformational leadership on employee performance. Their study, conducted with a sample of 30 respondents from Pelabuhan Indonesia III, supported the concept that transformational leadership positively influences how employees perform. The research of Astuty & Udin (2020) involved 103 respondents employed in stone milling companies in Central Java, Indonesia. Their findings demonstrated an agreement among the participants that transformational leadership plays a pivotal role in shaping employee performance. Kalsoom, Khan and Zubair (2018) conducted a study that reinforced the strong positive correlation between transformational leadership and employee performance. Their research, carried out with 318 employees as respondents in the FMGC Company in Pakistan, highlighted the organization's commitment to transformational leadership and its favorable impact on employee performance. The research by Tania, Haryadi, Wahyudi and Khairusy (2021) which involved 68 respondents from PT.BPRS Cilegon Mandiri Indonesia, it was confirmed that transformational leadership exerts a positive and statistically significant influence on employee performance.

*(b) The Effect of Organizational Citizenship Behavior and Employee Performance*

**Table 4.6 (a): Model Summary and Regression Coefficients of Employee Performance**

<b>Model Summary</b>						
<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted Square</b>	<b>R</b>	<b>Std. Error of the Estimate</b>	<b>Durbin-Watson</b>
2	0.688	0.473	0.469		0.447	1.971
a. Predictors: (Constant), Organizational Citizenship Behaviour (OCB)						
b. Dependent Variable: Employee Performance						

**Table 4.6 (b): Model Summary and Regression Coefficients of Employee Performance**

<b>Dependent Variables</b>	<b>Unstandardized Coefficients</b>		<b>Sig.</b>
	<b>Beta, <math>\beta</math></b>	<b>Std. Error</b>	
Employee Performance	0.694	0.069	0.000

Tables 4.6(a) and 4.6(b) show the overall result of regression analysis which is used to achieve the second objective of this research. The regression analysis between the OCB and employee performance can be indicated by the R-value in the table, which is 0.688. It considers as good value because it is closed to 1. The R square is 0.473, represents that 47.3% of the variance is accounted for employee performance by OCB. The standard error of the estimate is known for identifying the accuracy from the prediction. The smaller the value for standard error of the estimate indicates that the higher prediction will be more accurate. The value for standard error of the estimate is 0.447, which represents a good value for this research. Lastly, the better range for Durbin-Watson statistics value is within 1 to 4. The value for Durbin-Watson in this research is 1.971, which indicates that the independence of observations for the research data has been achieved.

The  $\beta$ -value as shown in table is 0.694, which means that when the transformational leadership changes by one unit, employee performance is predicted to increase by 69.4% at the same time. While the standard error is known for identifying the average distance between the values that have been observed fall from the line of regression. The smaller the value for standard error indicates that the observations are closer to fitted line. The standard error is 0.069, which represents observed values are closer to the fitted line. The p-value (Sig.) is less than 0.05, which indicates that the OCB in ABC Hotel has significant affect towards the employee performance at the working environment. The outcome of this study aligns with past studies by Hermawan, Thamrin and Susilo (2020), their study involved 200 participants within the manufacturing sector in Tangerang, Indonesia. The study revealed statistically significant evidence indicating that organizational citizenship behavior has a strongly impact on employee performance. Ridwan, Mulyani and Ali (2020) also supported that organizational citizenship behavior plays a role in shaping employee performance. Their study, which involved 211 participants from SPMI Private University in West Sumatra, provided evidence that the dimensions of organizational citizenship behavior are significantly impacts employee performance. Concurrently, enhanced organizational citizenship behavior is linked to improved employee performance due to their positively correlated relationship (Hidayah & Harnoto, 2018). The study conducted in Baitul Maal Wat Tamwil (BMT) in Central Java, Indonesia, underscores the significant role played by the dimension of OCB in determining employee performance. This assertion finds further support in the research of Tania, Haryadi, Wahyudi and Khairusy (2021). Their study involving 68 respondents in PT.BPRS Cilegon Mandiri Indonesia confirmed that employees exhibiting stronger OCB also exhibit higher levels of performance.

## RECOMMENDATION & CONCLUSION

The research findings offer several valuable recommendations. It is evident from the study that fostering transformational leadership and promoting OCB can have a positive impact on employee performance at the ABC Hotel. The results establish a clear and positive connection among these three variables: transformational leadership, OCB, and employee performance. These insights underscore the importance of developing transformational leadership qualities and encouraging OCB as essential

strategies, not only for ABC Hotel but for all service sectors. Based on a thorough qualitative analysis of open-ended feedback from ABC Hotel employees, the research highlights the positive impact of proficient leaders who exhibit transformational leadership qualities. Employees expressed their views on how transformational leadership creates a supportive work environment, enhancing job satisfaction. This increased job satisfaction, in turn, positively influences overall employee performance. Effective transformational leaders are also seen as catalysts for enhancing employees' skills and capabilities, empowering them to excel in their roles and contribute to overall organizational performance.

To put these findings into action, it is recommended that the human resources management team at ABC Hotel implement leadership development programs and coaching sessions. This proactive approach ensures that leaders not only understand but consistently demonstrate the essential characteristics of transformational leadership. Additionally, creating a feedback mechanism for employees to provide input on leadership effectiveness can further enhance leaders' transformational leadership qualities. Furthermore, the feedback gathered from employees underscores the vital role of OCB in shaping a positive workplace environment. OCB not only benefits specific tasks but also aligns with the organization's values, fostering enhanced productivity and improved employee performance. Human resources management should consider organizing team-building activities to promote collaboration among employees. These activities enhance interpersonal relationships, trust, and communication, contributing to a positive organizational culture and encouraging OCB.

In addition, the implementation of a robust recognition and rewards system that specifically acknowledges employees who consistently exhibit OCB is recommended. Such a system serves as a powerful motivational tool that inspires others to emulate positive behaviors, further strengthening the culture of OCB within the organization. These measures can collectively contribute to a more positive and productive work environment at ABC Hotel and potentially in other service sectors as well.

In conclusion, the hypotheses and objectives of this research were achieved by the overall findings and results. Next, according to the Spearman's correlation coefficient, it is indicated that there is significant relationship between transformational leadership and OCB with employee performance at ABC Hotel. In other words, the employee performance will be affected significantly by the implementation of transformational leadership and OCB, which is shown as the results from the regression analysis. Furthermore, the feedback from the open-ended question also proved that the implementation of transformational leadership and OCB will influence the employee performance at ABC Hotel. Therefore, the management of ABC Hotel should pay attention and focused on these findings which able to improve the quality and performance of the employees in the future.

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