

TRANSFORMATIONAL LEADERSHIP AND PERCEIVED ORGANIZATIONAL SUPPORT ON EMPLOYEE PERFORMANCE IN BEIJING SHUNMEI WALLPAPER CO., LTD.

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Abstract

The aims of this research are: (1) to investigate the influence of transformational leadership on employee performance at Beijing Shunmei Wallpaper Co., Ltd. and (2) to investigate the influence of perceived organizational support on employee performance at Beijing Shunmei Wallpaper Co., Ltd. The population for this research consists of employees at Beijing Shunmei Wallpaper Co., Ltd. Data were collected using questionnaires from a sample size of 300 respondents selected using a non-probability sampling method, specifically the convenience sampling method. The data were analyzed using frequencies, percentages, means, standard deviations and hypothesis testing, using a partial least squares structural equation model.

The study found that both transformational leadership and perceived organizational support have a direct impact on employee performance at Beijing Shunmei Wallpaper Co., Ltd. These effects are statistically significant at the .000 level and with a predictive power of 80.8%.

Keywords: Transformational Leadership, Perceived Organizational Support, Employee Performance

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Introduction

The furniture industry in China has experienced significant growth and intense competition, challenging companies to maintain efficiency and customer satisfaction. To overcome these challenges, it is crucial for companies in the furniture industry to have effective leadership and create a positive organizational environment.

In recent years, numerous studies have examined the impact of leadership styles and organizational support on employee performance. Transformational leadership, characterized by the ability to inspire, address individual needs, stimulate intellectual growth and exert significant influence, has been associated with positive outcomes in various industries (Anderson, 2017). Another important factor influencing employee attitudes and behavior is the perception of organizational support, i.e. employees' beliefs about the company's support for their values and contributions. This perception has a significant impact on employee performance and job satisfaction because employees who perceive adequate organizational support and concern for their well-being are more likely to be engaged and perform at higher levels (Saleem, 2015). When employees feel that the organization provides sufficient resources and cares about their well-being, this leads to job satisfaction, a sense of commitment to the organization and higher job performance. Therefore, perceived organizational support and managerial support play a crucial role in improving employee job performance.

Although there is much research on the effects of transformational leadership and perceived organizational support on employee job performance, the context of the furniture industry in China is different from other industries that focus on producing a high volume of output at a low cost. The aim is to sell products in large quantities in both the domestic and international markets. This has resulted in companies not fully considering the creation of impact on change and supporting employees to improve work performance (Hu, 2023). Beijing Shunmei Wallpaper Co, Ltd. is a company that manufactures and designs furniture for interior decoration, which must create distinctive and desirable products for customers. To meet the demands of modern society, technology and innovation are currently needed to facilitate ingenuity and furniture design. To create these things requires leadership that stimulates ingenuity and product development, as well as environmental support and various resources for employees to initiate and create valuable and effective work.

Investigating the impact of transformational leadership and perceived organizational support on employee performance will therefore help to address these gaps for organizations by identifying how these factors are interrelated and the impact they have on employee

performance. The results of this research will provide the management team of Beijing Shunmei Wallpaper Co, Ltd. with valuable, detailed information that will enable them to develop effective leadership strategies and create a positive work environment. This will also enable the development of targeted strategies to increase employee satisfaction, engagement and overall job performance.

Research objectives

1. To study the impact of transformational leadership on employee performance at Beijing Shunmei Wallpaper Co., Ltd.
2. To study the effect of perceived organizational support on employee performance at Beijing Shunmei Wallpaper Co., Ltd.

Research hypothesis

1. Transformational leadership impacts employee performance at Beijing Shunmei Wallpaper Co., Ltd.
2. Perceived organizational support affects employee performance at Beijing Shunmei Wallpaper Co., Ltd.

Conceptual framework

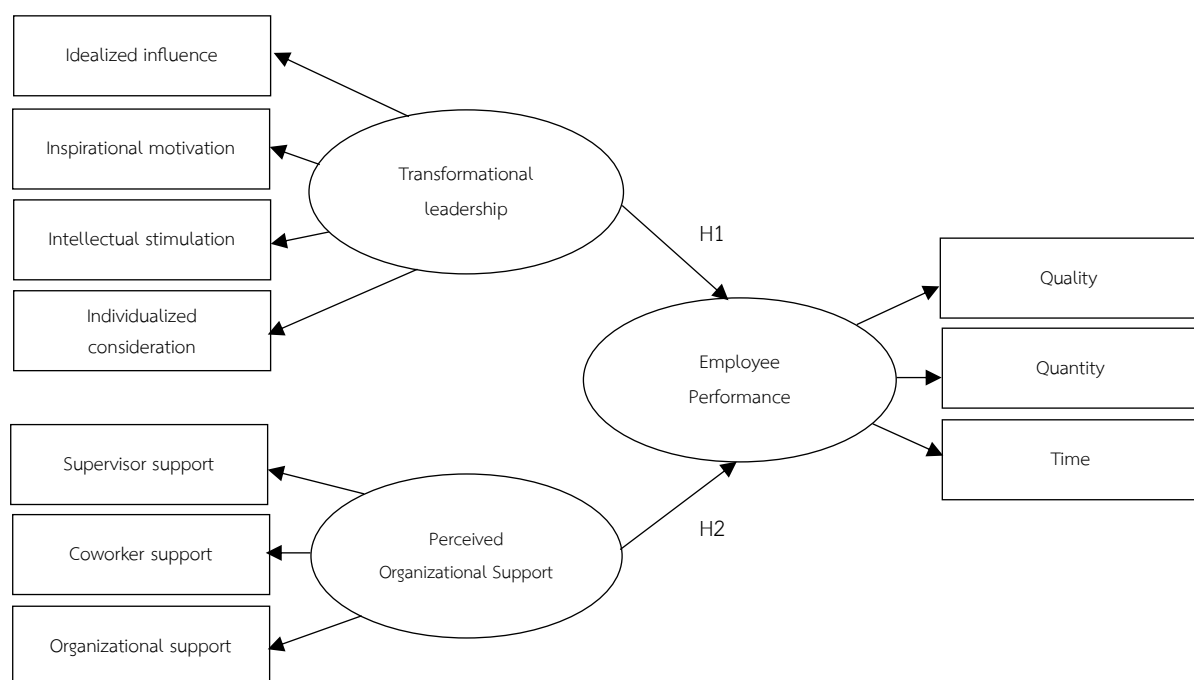


Figure 1 Conceptual framework

Literature review

Concepts and theories of transformational leadership

Northouse (2013) defined leadership as a process in which one person influences a group of people to achieve a common goal. This definition focuses on leadership as a process, not as a trait or characteristic of leadership. Modern leadership theory, also known as integrative leadership theory, represents a paradigm shift in leadership theories. This theory encompasses and integrates leadership theories to illustrate the success and relationship between the leader and the lead (Behrendt et al., 2017). An important concept and theory in this era are transformational leadership, which was proposed by Burns (1978). Transformational leadership is a process in which leaders elevate the moral and ethical values of their followers by inspiring and directing their attention to higher concepts and moral values. Judge and Piccolo (2014) define transformational leadership as an approach to leadership that brings about personal and social change. It creates positive and valuable change in followers with the aim of developing them into leaders. The components of transformational leadership described by Boamah and Tremblay (2019) consist of four elements: idealized influence or charisma, inspirational motivation, intellectual stimulation, and individual consideration.

Concepts and theories of perceived organizational support

Perceived Organizational Support (POS) is an important concept and theory in the field of organizational behavior that examines employees' perceptions of how much value and support their organization provides for their well-being (Gaudet & Tremblay, 2017).

If employees feel that the organization supports them, they will have positive feelings towards the organization and tend to work with commitment and organizational engagement (Kurtessis et al., 2017). Rhoades and Eisenberger (2002) define perceived organizational support as employees' perceptions that the organization supports them by believing in the importance of the organization, respecting the value of employee engagement, and caring about the benefits earned. This includes the organization's actions, policies, and behaviors that employees perceive as supportive. Eisenberger et al. (2020) discuss the components of perceived organizational support and state that perceived organizational support consists of three main components that influence employee attitudes and behaviors. These 3 components include supervisor support, employee support, and organizational support.

Concepts and theories of employee performance

Employee performance is a critical structure in organizational behavior research as it relates to effectiveness, productivity, and individual goal achievement in the workplace.

According to a 2017 Gallup study, employees in the United States bring only 33% of their full potential to their work (Gallup, 2017). The 2018 Society for Human Resource Management survey found that 84% of HR professionals believe that employee performance and engagement are critical factors in an organization's success (Society for Human Resource Management, 2018). The results of employees' work practices reflect employees' perceptions of the company's success. Numerous studies and evidence from relevant researchers on employee performance have shown continuous improvement from 1980 to 2012 (Cohen & Staw, 2019). Therefore, studying employee performance is critical for organizations to prioritize strategies to improve performance and employee engagement. By understanding the factors influencing performance and implementing effective performance management practices, organizations can create an environment that fosters high performance and drives business success.

Research methodology

1. The population used in this research consists of 800 employees from Beijing Shunmei Wallpaper Co., Ltd. Since the study utilizes a structural equation modeling to test hypotheses, the sample size calculation follows the formula provided by Hair et al. (2010). The required sample size should be at least 20 times the number of observed variables. In this study, there are 10 observed variables, resulting in a required sample size of 200. The objective of this research is to allocate a sample size sufficient to accommodate potential fluctuations of up to 50% in data collection. Therefore, we have selected a total sample size of 300 individuals to achieve this goal. Convenient sampling method is used to select the sample, aiming for easy access and convenience of participation. This method ensures that the sample group is complete in the desired quantity.

2. The research tools used in this study include questionnaires developed based on relevant literature, theories, and research studies. The questionnaires are used to collect data divided into four Parts as follows: (1) general information questionnaire, (2) transformational leadership questionnaire ($\alpha = 0.779-0.833$), (3) perceived organizational support questionnaire ($\alpha = 0.769-0.808$), (4) questionnaire on Employee Performance ($\alpha = 0.825-0.882$). It uses a closed-ended question format with Likert Scale ratings. To show reliability, Cronbach's alpha coefficient have 0.958 greater than 0.70, so the questionnaire was considered reliable.

3. Data analysis were conducted using computer software. The analysis consisted of two main components include descriptive statistics and inferential statistics, as follows:

- (1) Descriptive statistics such as frequencies, percentages, means, and standard deviations. And
- (2) Partial Least Squares Structural Equation Modeling (PLS-SEM) was employed to test the hypotheses.

Research results

1. The analysis shows that the majority of respondents were male (154 people, 51.33 percent), aged 31 to 40 (139 people, 46.33 percent), had a bachelor's degree (162 people, 54.00 percent) and had an income of between CNY 3,001 and 4,000 (126 people, 42.00 percent).

2. Transformational leadership: The majority of respondents expressed agreement with the statement that overall transformational leadership is at the level of 'Agree' ($\bar{X} = 4.03$, $SD = 0.48$). Looking at the average for each aspect, it is clear that most respondents rated 'Idealized Influence' the highest ($\bar{X} = 4.14$, $SD = 0.52$), followed by 'Intellectual Stimulation' ($\bar{X} = 4.02$, $SD = 0.51$), and 'Individualized Consideration' received the lowest rating ($\bar{X} = 3.94$, $SD = 0.59$).

3. Perceived organizational support: The majority of respondents expressed agreement with the statement that overall perceived organizational support is at the level of 'Agree' ($\bar{X} = 3.93$, $SD = 0.43$). Looking at the average for each aspect, it is clear that most respondents rated 'Organizational Support' the highest ($\bar{X} = 4.02$, $SD = 0.49$), followed by 'Coworker Support' ($\bar{X} = 3.99$, $SD = 0.50$), and 'Supervisor Support' received the lowest rating ($\bar{X} = 3.79$, $SD = 0.58$).

4. Employee performance: The majority of respondents expressed agreement with the statement that overall employee performance is at the level of 'Agree' ($\bar{X} = 4.13$, $SD = 0.52$). Looking at the average for each aspect, it is clear that most respondents have the highest opinion of 'Quality' ($\bar{X} = 4.20$, $SD = 0.54$), followed by 'Quantity' ($\bar{X} = 4.15$, $SD = 0.58$), and 'Time' received the lowest rating ($\bar{X} = 4.03$, $SD = 0.63$).

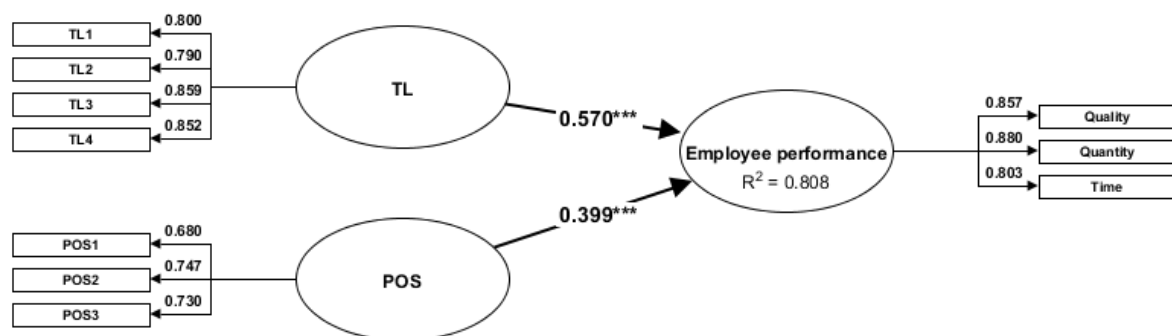


Figure 2 Shows the results of hypothesis testing

Table 1 Show effects between intellectual capital factors and firm perform

Effects	Beta	t-test	p-value	Cohen's F2
TL > Employee performance	0.570	5.842	.000***	0.837
POS > Employee performance	0.399	4.186	.000***	0.409

*** Statistical significance at .001 level

Table 1 shows that transformational leadership ($t = 5.842$, $\text{Sig.} = .000$) and perceived organizational support ($t = 4.186$, $\text{Sig.} = .000$) have a direct influence on employee performance at Beijing Shunmei Wallpaper Co., Ltd. These were statistically significant at the .000 level and had a predictive power of 80.8 percent ($R^2 = 0.808$).

Transformational leadership had the greatest influence on employee performance with a standardized coefficient of 0.570, while perceived organizational support had the second greatest impact with a standardized coefficient of 0.399.

Discussions

Transformational leadership including idealizing influence, intellectual stimulation, inspirational motivation, and individual consideration influenced employee performance in the Chinese wallpaper industry. This is because the importance of strong leadership to organizational success is attributed to the dynamic nature of the business world. This leadership style is characterized by four main components: idealized influence, intellectual stimulation, inspirational motivation, and individualized consideration. Idealized influence is the ability of transformational leaders to serve as role models to their followers, gaining both their respect and the trust of their followers. In the context of the wallpaper business in China, leaders who exemplify high ethical standards and integrity are more likely to inspire their employees to act in a way that is congruent with these values. According to Yu et al. (2020), alignment of values between leaders and employees can help create a culture that values trust, honesty, and dedication, which ultimately leads to higher employee performance. Employees in the wallpaper sector who have a positive perception of their bosses' honesty and ethics are more likely to be engaged, dedicated, and inspired to give their best.

Intellectual stimulation includes challenging employees to think outside the box, creating an atmosphere that encourages learning and fostering innovation. It is possible that transformational leaders have a major influence on performance in the wallpaper business, which requires constant innovation and the ability to adapt to changing customer tastes. These

leaders inspire their employees to challenge established practices and look for new solutions. According to Zhang et al. (2019), fostering a culture of continuous improvement among workers by encouraging them to share their ideas and support experimentation can lead to better product innovation and higher customer satisfaction. In the context of transformational leadership, this is done by developing a compelling vision for the future of the organization, setting high standards for employee performance, and fostering a sense of purpose among employees. According to Zhao et al. (2020), effective leaders in the wallpaper business express a crystal clear and motivating vision for the company's future and emphasize the importance of employees' contributions to achieving these goals. This type of leadership gives employees a sense of belonging, more engagement, and more drive. As a result, employees are more engaged, more likely to strive for excellence in their jobs and more willing to go the extra mile, which ultimately leads to improved overall performance.

Individualized consideration, it refers to the customized attention given by leaders to the distinct requirements, assets, and objectives of each individual worker. It is possible for transformational leaders to have a major influence on employee performance in the Chinese wallpaper business, where employees often endure hard and repetitive duties. These leaders provide supportive and individualized direction. According to Nasiri and Bayat (2019), this kind of leadership makes it easier for workers to feel appreciated, acknowledged, and understood, which in turn may lead to higher levels of job satisfaction, loyalty, and a desire to go the additional mile.

Perceived organizational support, including supervisor support, peer support, and organizational support, influences employee performance in the Chinese wallpaper industry. This is due to the fact that in a dynamic and competitive business climate, companies in many sectors strive to improve their employees' performance as they recognize its direct impact on the overall profitability of the company. The influence of perceived organizational support (POS) on employee performance is significant as it contributes to creating a pleasant work environment and satisfying employees' socio-emotional needs. POS includes various forms of support, such as supervisor support, peer support and organizational support. Supervisor support refers to the extent to which supervisors provide direction, resources and recognition to their employees for their hard work. Research has consistently shown that supervisor support impacts employee performance by increasing trust, commitment and loyalty to the organization. Supervisors in the wallpaper sector can improve employee performance by

communicating goals more clearly, providing more constructive criticism and encouraging the development of their employees' skills by giving them more opportunities for training.

In the Chinese manufacturing industry, a recent study conducted by Lu et al. (2020) found a positive correlation between supervisor support and employee performance. Workers feel more appreciated and are more likely to be spurred to perform better when their supervisors encourage their subordinates by actively participating in work-related difficulties and genuinely caring about their well-being. This helps employees to feel valued by their superiors.

Employee support refers to the mutual help, cooperation and social integration that takes place among an company's employees. It is beneficial to employees' performance if they are strongly supported by their colleagues, as this contributes to excellent working relationships, team cohesion and higher job satisfaction. In the wallpaper industry, where collaboration is key, peer support can have a significant impact on productivity and the quality of work produced by employees. In the Chinese textile and apparel industry, Chen and Lu (2017) investigated how peer support affects an employee's overall performance. The results show that employees who positively perceive the support they receive from their colleagues are more likely to engage in proactive measures and show higher job performance. Employees in the wallpaper industry have less stress and are more satisfied with their job because they are supported by their colleagues and have a sense of belonging in the workplace.

In addition to organizational support, this is a term that refers to the policies, processes and practices put in place by a company to show that it truly cares about the well-being and needs of its employees. Employees are more inclined to return the favor with better performance when they feel strongly supported by the company they work for. A fair salary, opportunities for advancement, and a positive and encouraging work environment are all examples of the type of organizational support that exists in the wallpaper sector. A study conducted by Su et al. (2018) examined how organizational support affects the performance of employees working in the Chinese service sector. According to the results, employee perception of organizational support an employee receives has a positive impact on their performance. This affects employees' job satisfaction, organizational commitment, and organizational behavior. Employees who believe they are supported and respected by their employer are more likely to give their best, which in turn has a positive influence on the success of the wallpaper sector in China.

Implications of the study

The results of this study have significant implications for improving employee performance in the wallpaper business in China. First, the study highlights the central role of transformational leadership in enhancing employee performance. Transformational leaders inspire and motivate their teams by setting high expectations, articulating a clear vision, and fostering trust and collaboration. Managers in the wallpaper industry can take advantage of these insights by prioritizing the development of their own leadership skills, including effective communication, inspiration and fostering innovation. Conducting regular training programs and seminars can further enhance leadership skills, leading to improved employee performance and company success.

In addition, perceived support from the company proves to be a critical factor in optimizing employee performance. When employees perceive support and appreciation from their employer, they are more likely to show commitment, engagement, and motivation. Managers in the wallpaper sector should focus on fostering a supportive organizational culture characterized by active listening, the provision of resources, recognition of achievements and opportunities for professional development. By investing in employee wellbeing and development, managers can significantly improve performance and contribute to the overall prosperity of the business.

In addition, the study highlights the importance of aligning transformational leadership with perceived organizational support to maximize employee performance. Managers must actively cultivate an organizational environment that integrates elements of transformational leadership and support. This includes effectively communicating organizational goals, providing key resources, and fostering harmonious relationships between employees and supervisors. By integrating these elements, managers can create a supportive work environment that fosters employee engagement, productivity, and overall performance.

Future research

Future research should focus on solving practical problems and exploring new ways to improve business operations in the wallpaper sector. In particular, future studies could investigate which specific leadership behaviors in this industry lead to optimal outcomes, such as intellectual stimulation and individual attention, and what impact they have on employee performance. Furthermore, the investigation of intermediate processes, such as job satisfaction and organizational commitment, could provide valuable insights into the

mechanisms underlying the relationship between leadership and performance in the wallpaper business.

In addition, future research should consider examining moderating variables that may influence the relationship between leadership and employee performance, such as company culture and employee demographic characteristics. Understanding these moderating factors can support the development of customized leadership strategies to improve performance in the Chinese wallpaper sector.

Finally, longitudinal studies are recommended to comprehensively examine the enduring effects of transformational leadership and perceived organizational support on employee performance. This approach would enable the analysis of temporal development and enduring effects and provide a deeper understanding of the relationship between these variables over time in the context of the wallpaper business.

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