



Exploring the Impact of Transformational Leadership, Training, and Employee Engagement on Restaurant Employee Performance

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ABSTRACT

Keywords:

Transformational Leadership, Training Program, Employee Engagement, Employee Performance

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This study aims to analyze the influence of transformational leadership, training programs, and employee engagement on employee performance. A quantitative approach was used in this study, with a sample of 72 employees from a restaurant in Malang selected through purposive sampling. Data were analyzed using multiple linear regression methods. The main results of this study indicate that transformational leadership and employee engagement have a positive and significant influence on employee performance. In contrast, training programs do not show a significant effect. The practical implication of these findings is that performance improvements can be more effectively achieved through an inspirational leadership style and employee emotional engagement. Furthermore, there is a need to re-evaluate the effectiveness of existing training programs. A limitation of this study is that the sample coverage is limited to one company, so generalizing the results to a broader context requires caution.

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INTRODUCTION

The restaurant industry in Indonesia has seen remarkable growth, especially in cities like Malang, which is known as a culinary destination. According to the Statistics Indonesia (BPS) Malang City (2024), the restaurant sector contributes about 12.4% to the regional revenue (PAD). The growing number of restaurants has become vital to the local economy and employment (Obeidat, 2023). However, despite its promising growth, the sector faces significant challenges, especially in maintaining high employee performance, which directly impacts service quality and business sustainability. Understanding the drivers behind employee performance, particularly in the restaurant industry, is crucial for ensuring a stable and thriving business

environment (Ahmed & Mane, n.d.; Mitchell, 2024). This research, by exploring the impact of transformational leadership, training, and employee engagement, addresses the gap in existing studies on the intertwined nature of these factors. The findings of this study will be relevant not only for restaurant managers but also for policymakers and stakeholders in the hospitality sector to improve both employee productivity and customer satisfaction.

Despite the rapid growth and potential of the restaurant industry, there are ongoing internal challenges, particularly concerning employee performance. Inadequate employee performance can result in inconsistent service delivery, which impacts customer satisfaction and the overall reputation of a restaurant. The performance issue is further exacerbated by factors such as a lack of proper leadership, insufficient training, and disengagement among employees. This situation is prevalent in many restaurants in Malang, including Ocean Garden, which has seen a decline in consistent employee performance in recent years. The inability to address these internal challenges could lead to significant losses in the restaurant's long-term profitability and competitive edge in the market. The question remains: how can leadership, training, and employee engagement be optimized to improve performance and maintain a sustainable business model?

The phenomenon occurring in the restaurant industry, particularly in Malang, is the difficulty in sustaining high levels of employee performance. Despite being recognized for its food quality and service, Ocean Garden has been facing increasing challenges related to employee motivation and performance. This issue is commonly observed across various restaurant establishments in the region, where employees struggle to remain engaged or motivated, especially in high-pressure environments. Managers often rely on traditional methods of leadership that may no longer be effective in a rapidly evolving and competitive industry. Furthermore, there is a noticeable lack of comprehensive training programs that help employees develop the skills and knowledge needed to thrive in their roles. This situation highlights the urgent need for a more strategic approach to leadership, training, and employee engagement to overcome the performance challenges faced by many restaurants in the city.

Previous research by Njoku & Guillermo (2023) has shown that employee performance in the restaurant industry is influenced by various factors such as leadership style, training, and employee engagement. Transformational leadership, in particular, has been identified as an effective style for motivating and enhancing employee performance. Studies indicate by Reyaz (2024) that leaders who demonstrate transformational qualities inspire their employees, increase job satisfaction, and drive higher productivity levels.

Furthermore, the role of employee engagement has gained significant attention, with research confirming that engaged employees tend to exhibit greater enthusiasm and commitment to their work, leading to better overall performance. However, while these factors have been studied individually, little research has focused on their simultaneous interaction, particularly within the context of the Indonesian restaurant sector. This gap represents a critical area for further exploration to provide actionable insights for managers in this industry.

Although much of the existing literature highlights the importance of leadership, training, and engagement on employee performance, there are limitations in the current body of research. Most studies have analyzed each factor independently, without fully considering the complex interrelationships between them. Additionally, research in the Indonesian context, particularly in the restaurant industry, remains scarce. The impact of these factors on employee performance has not been adequately examined in a comprehensive framework that considers the unique challenges faced by Indonesian restaurants. The existing literature fails to address how transformational leadership, training, and engagement can be integrated into a holistic strategy to improve employee performance. Therefore, this research seeks to fill this gap by exploring the combined influence of these factors on employee performance in the Indonesian restaurant industry, offering new insights for both scholars and practitioners.

The novelty of this research lies in its comprehensive approach to examining the combined effects of transformational leadership, training, and employee engagement on employee performance in the Indonesian restaurant industry. This study addresses an existing gap by exploring the simultaneous impact of these variables in a sector that is critical to the economy but often overlooked in research. By integrating these three factors into a single framework, the research provides a more nuanced understanding of how they work together to enhance employee performance. The importance of this study cannot be overstated, as it offers actionable insights for restaurant managers and industry stakeholders to improve service quality and operational efficiency. Additionally, it contributes to the broader academic literature on hospitality management by offering new theoretical perspectives on employee performance in this sector.

The research problem at the core of this study is how transformational leadership, training, and employee engagement collectively influence employee performance in the Indonesian restaurant industry. The preliminary argument is that the synergy of these three factors will lead to a more engaged, motivated, and high-performing workforce. This study hypothesizes that restaurants with

strong transformational leadership, comprehensive training programs, and high levels of employee engagement will experience better employee performance, which in turn will improve service quality and customer satisfaction. The contribution of this research is twofold: first, it offers a new model for restaurant managers to enhance employee performance; and second, it provides a deeper understanding of how these factors interact in the context of Indonesian restaurants, which can be applied to other sectors of the hospitality industry.

In conclusion, this study aims to explore the combined impact of transformational leadership, training, and employee engagement on employee performance in the Indonesian restaurant industry, particularly in Malang. Given the rapid growth of the restaurant sector and its importance to the local economy, addressing performance challenges is critical to sustaining business success. By filling the research gap regarding the interaction of these factors, this study offers valuable insights that can inform leadership strategies, training programs, and employee engagement initiatives in the hospitality industry. Ultimately, the findings will contribute to improving the overall performance of restaurant employees, ensuring better customer experiences, and promoting long-term business sustainability.

RESEARCH METHOD

This study uses a quantitative approach with an explanatory design that aims to test the causal relationship between variables. The research location is the Ocean Garden Restaurant in Malang, with the data collection period running from April to June 2025. The study population includes all 256 Ocean Garden employees. Using the Slovin formula (10% error rate), the sample size was determined to be 72 respondents, selected through a purposive sampling technique. The respondent criteria are employees who have worked for at least 6 months and are directly involved in operations. The relationship between variables and research hypotheses is visualized in the following model (Figure 2).

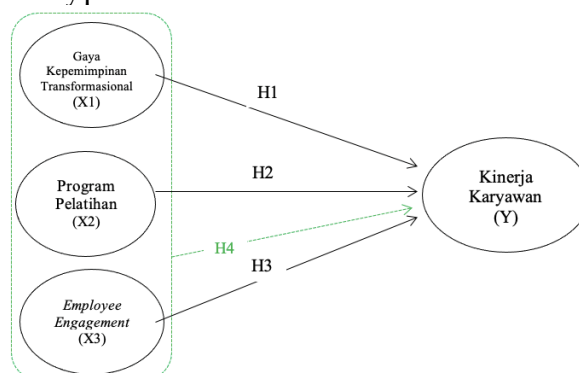


Figure 2. Conceptual Research Model

Source: Researcher Design (2025)

Description: The black line indicates the hypothesis that variable X has a partial positive and significant effect on variable Y, and the dashed green line indicates the hypothesis that variable X simultaneously has a positive and significant effect on variable Y.

Data collection was conducted using a closed-ended questionnaire with a 5-point Likert scale. The research instrument was tested and proven to meet validity requirements, with calculated r-values for all items greater than r-table (0.1909), and reliability with Cronbach's Alpha values for all variables above 0.70. Data analysis used multiple linear regression with SPSS 26 software. Prior to the regression analysis, classical assumption tests (normality, multicollinearity, and heteroscedasticity) were conducted, and all assumptions were found to be met.

RESULT AND DISCUSSION

Result

Respondent Characteristics

The demographic data of the respondents in the research sample are summarized in Table 1. The majority of respondents were male (77.8%), in the productive age group of 17-32 years (86.1%), with the most educational background being high school (81.9%), and having worked for more than 3 years (44.4%).

Table 1. Respondent Characteristics (n=72)

Characteristics	Category	Frequency	Persentation (%)
Gender	Male	56	77,78%
	Female	16	22,22%
Age	17-24 Years	30	41,67%
Education	25-32 Years	32	44,44%
	33-40 Years	10	13,89%
Characteristics	Elementary/Middle School	10	13,89%
	High School	59	81,94%
	Bachelor's Degree	3	4,17%
Gender	<1 Year	23	31,94%
Age	1-3 Years	17	23,61%
	>3 Years	32	44,44%

Source: Data processed by researchers (2025)

Descriptive Analysis and Hypothesis Testing Results

Descriptive analysis shows that employee perceptions of the Transformational Leadership Style (mean 4.04), Employee Engagement (mean

3.96), and Employee Performance (mean 4.10) variables are in the "Agree" or high" category. The Training Program variable received an average score of 4.14, also in the "Agree" category.

The results of the hypothesis testing using multiple linear regression are presented in Table 2. The main findings indicate that Transformational Leadership Style ($p=0.003$) and Employee Engagement ($p=0.000$) have a positive and significant effect on Employee Performance. Meanwhile, the Training Program did not show a significant effect ($p=0.831$). Together, the three independent variables significantly influence Employee Performance ($F=67.751$; $p=0.000$) and explain 66.3% of the variation in Employee Performance (Adjusted $R^2 = 0.663$).

Table 2. Multiple Linear Regression Test Results

Independent Variables	Coefficient (B)	t-count	Sig. (p-value)	Description
(Constant)	0,677	0,436	0,664	-
Transformational Leadership Style (X_1)	0,120	3,043	0,003	Significant
Training Program (X_2)	0,011	0,215	0,831	Not Significant
Employee Engagement (X_3)	0,170	4,991	0,000	Significant
Model Statistics				
F-statistic	67,751 ($p = 0,000$)			
R Square	0,673			
Adjusted R Square	0,663			

Source: Data processed by researchers (2025)

Discussion

This research provides valuable insights into the key factors influencing employee performance in the restaurant industry. The primary findings reveal that transformational leadership and employee engagement are the main drivers of employee performance, while training programs, although deemed effective, did not show a statistically significant direct impact.

The discovery that transformational leadership positively and significantly impacts employee performance reinforces the foundational theory put forth by Bass and Avolio (Hilton et al., 2023; Magasi, 2021). In the dynamic work environment at Ocean Garden Restaurant, the role of the leader goes beyond management—leaders act as role models (idealized influence), motivators (inspirational motivation), idea stimulators (intellectual stimulation), and personal mentors (individualized consideration). Leaders who clearly communicate their vision and genuinely care about team

development create a psychologically safe work environment (Hallam et al., 2023; Lechner & Tobias Mortlock, 2022). This encourages employees to take risks and give their best without fear. This finding aligns with studies (Abolnasser et al., 2023; Kim et al., 2021) in the hospitality industry, which found that transformational leadership directly improves quality of life at work and psychological well-being, ultimately enhancing performance and organizational commitment.

Another significant result from the analysis is that employee engagement is the most powerful variable with a positive and significant effect on performance. This finding is particularly relevant in the context of restaurants, where “extra effort” from employees—such as offering a sincere smile, proactively assisting coworkers during busy hours, or handling customer complaints with empathy—sets service quality apart. High engagement can be explained through the Job Demands-Resources (JD-R) Model (Koroglu & Ozmen, 2022; Mazzetti et al., 2023). The job demands at Ocean Garden, such as fast service and high workloads, can be balanced by adequate resources, such as support from transformational leadership and coworkers. When these resources are available, employees do not feel drained; instead, they feel challenged and motivated, which is the essence of engagement (Pincus, 2023; Sawhney & Michel, 2022). This finding strengthens previous research by (Bhardwaj & Kalia, 2021), which both validate employee engagement as a direct predictor of task and contextual performance.

One of the most intriguing findings is the insignificance of the training program's impact on performance, despite employees' positive perceptions of the training (average score of 4.14). This suggests a gap between training implementation and its real-world application, commonly referred to as the “weak transfer of training” problem. Employees may enjoy training sessions and find the instructors competent, yet the knowledge fails to be translated into consistent new behaviors on the job. Some potential reasons, as noted during initial observations, include the lack of follow-up mechanisms, post-training coaching, and a systematic evaluation system that measures training impact. Although this contrasts with the findings of (Bandaranayake et al., 2024; Bennett et al., 2025), it provides critical input for Ocean Garden's management: training should not be seen as a one-time event but as an ongoing process integrated into daily performance management.

Simultaneously, the three variables together explain 66.3% of the variation in employee performance, indicating that this model is both relevant and robust. This implies that outstanding performance is not the result of a single factor but rather the synergy of several elements. In the case of Ocean Garden, transformational leadership acts as a catalyst that fosters employee

engagement. This emotional engagement then becomes the primary driver of performance. Meanwhile, training programs may serve as a supporting or hygienic factor—important to establish a baseline of competence but not the main driver without strong leadership and high employee engagement.

CONCLUSION

In conclusion, this study highlights that transformational leadership and employee engagement have a positive and significant impact on employee performance, while training programs do not demonstrate a direct effect. The key implication for management is the need to prioritize the development of inspirational leadership and the creation of a work environment that fosters high employee engagement. To maximize the effectiveness of training programs, a deeper evaluation is necessary to ensure their relevance and practical impact. Future research is encouraged to broaden the sample size or explore additional variables, such as organizational culture, to further enhance our understanding of the complex dynamics influencing employee performance in the restaurant industry. This study emphasizes that strong leadership and engaged employees are the cornerstones of exceptional performance, and a holistic approach to workforce development is essential for sustainable success.

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