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RESEARCH ARTICLE

How Transformational Leadership Affects Job Performance among Hospital Employees: Does Power Distance Matter?

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ABSTRACT

The study addresses the critical issue of leadership in public hospitals by examining the influence of transformational leadership on job performance among hospital employees. The investigation focuses on the mediating role of employee motivation and the moderating effect of power distance within a hierarchical cultural setting. A mixed-methods approach was adopted, with measurement scales developed and validated through a pilot study, followed by quantitative analysis using Partial Least Squares Structural Equation Modeling on a sample of 504 respondents from public hospitals in Can Tho, Vietnam. The findings indicate that all dimensions of transformational leadership significantly enhance employee motivation and job performance, with inspirational motivation and idealized influence showing particularly strong effects. Notably, while employee motivation robustly mediates the relationship between transformational leadership and work performance, the presence of a high power distance substantially weakens these positive effects. This moderating impact underscores the challenge posed by rigid hierarchical structures in fully harnessing the benefits of transformational leadership. The study offers practical implications for healthcare administrators and policymakers, emphasizing that efforts to reduce power distance could be key to optimizing leadership effectiveness and improving performance outcomes.

INTRODUCTION

The present study investigates the impact of transformational leadership on employee motivation and performance in public hospitals in Can Tho City, Vietnam, with a particular focus on the moderating role of power distance. Can Tho, as the central hub of the Mekong Delta region, plays a crucial role not only in the regional economy but also in providing healthcare services to over 18 million residents[1]. Despite this critical function, public hospitals in Can Tho face significant challenges, including workforce shortages, inadequate infrastructure, and insufficient reward systems. These issues have been linked to decreased employee motivation and diminished work performance, ultimately compromising the quality of healthcare services. In addition to these operational challenges, the organizational culture in Can Tho's public hospitals remains heavily influenced by hierarchical traditions. Such a culture often results in a wide power distance, where decision-making is concentrated at higher levels, limiting open communication and the active participation of lower-level staff. This environment not only stifles creativity but also hinders the potential for transformational leadership to fully inspire and motivate employees.

Transformational leadership, as defined by [2] and[3], emphasizes the importance of inspiring change, encouraging innovation, and promoting personal development among employees. Research has shown that transformational leadership can effectively enhance both intrinsic and extrinsic motivation, leading to improved job performance[4, 5]. However, in environments characterized by high power distance, the effectiveness of such leadership may be diminished, as employees might feel reluctant to express ideas or engage fully in the change process[6, 7].

While numerous studies have examined the benefits of transformational leadership in various sectors[4, 5, 8], there remains a significant research gap in the context of Vietnamese public hospitals, particularly in Can Tho. Most existing studies have focused on private organizations or public

institutions in developed countries, where organizational structures, resource availability, and cultural dynamics differ markedly from those in emerging economies. For example, research conducted in Western healthcare settings has often highlighted the positive effects of transformational leadership on employee motivation and performance[6, 7, 9], yet these findings may not be directly applicable to the public healthcare sector in Vietnam. In contrast, studies by [10] and [11] indicate that the hierarchical culture prevalent in Vietnamese public hospitals can significantly hinder the effective implementation of transformational leadership. Therefore, it is essential to explore how transformational leadership can be adapted to address the unique challenges faced by public hospitals in Can Tho, such as workforce shortages, inadequate infrastructure, and limited reward systems. This study aims to fill that gap by investigating the moderating role of power distance in the relationship between transformational leadership, employee motivation, and work performance in these settings.

Therefore, this study aims to fill this gap by examining how transformational leadership affects employee motivation and work performance in public hospitals in Can Tho and by investigating the moderating role of power distance. The findings are expected to provide valuable insights for hospital managers and policymakers, offering practical recommendations to develop effective leadership strategies that enhance employee outcomes and ultimately improve the quality of healthcare services in the region.

LITERATURE REVIEW

This literature review critically examines the theoretical foundations and key constructs that underpin the investigation into the effects of transformational leadership on employee motivation and work performance in public hospitals, with a particular focus on the moderating role of power distance.

Theoretical Foundations

Transformational leadership has emerged as a central theory in understanding how leadership practices influence organizational outcomes. Initially conceptualized by [2] and later refined by[3], transformational leadership is characterized by behaviors that inspire, motivate, and foster innovation among employees. Leaders who exhibit transformational qualities—such as idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration—are credited with creating a work environment that enhances both intrinsic and extrinsic motivation[4, 9]. Recent empirical studies have reinforced these claims; for instance, research conducted by [5] and [12] and [6] in healthcare settings demonstrated that transformational leadership positively impacts employee motivation and performance, particularly by reducing work-related stress and promoting a shared organizational vision.

Complementing transformational leadership theory, the Self-Determination Theory [13] and the Expectancy Theory [14] provide valuable insights into the mechanisms underlying employee motivation. The Self-Determination Theory differentiates between intrinsic motivation—stemming from personal growth and self-fulfillment—and extrinsic motivation, which is driven by external rewards and recognition. The Expectancy Theory further posits that motivation is determined by the interplay of expectancy, instrumentality, and valence; in other words, employees are more motivated when they believe that their efforts will lead to effective performance and that such performance will be rewarded appropriately. Empirical evidence from healthcare research supports the notion that both intrinsic and extrinsic motivational factors are critical in high-pressure environments such as public hospitals[15, 16].

Herzberg's Two-Factor Theory [17] also contributes to our understanding by distinguishing between motivators and hygiene factors. According to[17], while motivators such as recognition, achievement, and opportunities for advancement can enhance job satisfaction and performance, inadequate hygiene factors (e.g., low salary, poor working conditions) can lead to dissatisfaction. Studies in healthcare [7, 11] have shown that the absence of adequate rewards and supportive environments can significantly undermine the potential benefits of transformational leadership.

Finally, Hofstede's Power Distance Theory [18] is crucial for understanding the contextual factors in Vietnamese public hospitals. Power distance refers to the degree to which less powerful members of an organization accept and expect unequal power distribution. In high power distance environments,

such as those found in many Vietnamese public institutions[19], hierarchical structures may dampen the effectiveness of transformational leadership by limiting open communication and employee participation. Recent studies have suggested that high power distance can moderate the positive effects of transformational leadership on employee outcomes[10, 12], thus providing a rationale for exploring its moderating role in this research.

Hypothesis Development

This section integrates theoretical perspectives and recent empirical evidence to develop the research hypotheses concerning the relationships among transformational leadership, employee motivation, work performance, and the moderating role of power distance in public hospitals.

Work Performance

In today's, organizations increasingly emphasize the measurement of work performance by establishing clear standards that capture both outcomes and behaviors. Work performance is defined as the expected value of an employee's actions over a given period [20, 21] and reflects their contribution toward achieving strategic goals. According to[22], work performance is characterized by behaviors directly linked to organizational objectives, which are essential for sustainable growth and competitiveness. [23]have demonstrated that tools such as Likert scales can effectively capture multiple dimensions of performance—including task completion, service quality, and innovation—thereby providing a comprehensive picture of the factors influencing employee outcomes. These findings underscore that work performance is determined not only by final outcomes but also by the processes and behaviors employed to achieve those outcomes.

The Relationship between Employee Motivation and Work Performance

Employee motivation, a critical antecedent to work performance, comprises both intrinsic factors (e.g., autonomy, a sense of achievement) and extrinsic factors (e.g., financial rewards, job security). Herzberg's Two-Factor Theory [17, 24] distinguishes between motivators that enhance job satisfaction and hygiene factors that, if inadequate, lead to dissatisfaction. Empirical research [20, 23, 25] confirms that high levels of motivation lead to superior problem-solving abilities and greater productivity. Furthermore, studies by [26] and [27] demonstrate that employees with strong intrinsic motivation invest greater emotional and cognitive resources in their work, resulting in higher levels of engagement and performance. Thus, it is posited that enhanced employee motivation will positively influence work performance. Based on these insights, the following hypothesis is proposed:

H1: Employee motivation positively affects work performance.

The Relationship between Transformational Leadership Components and Employee Motivation and Work Performance

Transformational leadership is a leadership approach that inspires employees to transcend their self-interests for the benefit of the organization. Recent research has confirmed that transformational leadership, through its key dimensions, positively influences both employee motivation and work performance in healthcare settings[28-30]. The key dimensions are as follows:

Inspirational Motivation: Leaders who articulate a compelling vision and set high expectations can boost both employee motivation and work performance[9, 31]. The studies of [32] and [33] indicates that inspirational communication enhances employee commitment and drives superior outcomes. Therefore, by setting high expectations and clearly articulating a vision, inspirational motivation is expected to increase intrinsic motivation.

Idealized Influence: By serving as ethical role models, transformational leaders foster trust and admiration among employees, which in turn enhances both motivation and performance[34]. Research by [35] and [36] confirm that employees who perceive their leaders as ideal figures are more likely to exhibit higher commitment and effectiveness.

Intellectual Stimulation: Leaders who encourage creative problem-solving and critical thinking enable employees to explore new solutions and innovate[9]. [37] suggests that such stimulation is associated with increased creativity and improved work performance. Encouraging employees to think critically and innovate also enhances their intrinsic motivation[38, 39].

Individualized Consideration: This dimension involves providing personalized support and developmental opportunities, helping employees feel valued and thereby enhancing their motivation and performance[40, 41]. Studies have demonstrated that tailored support improves both performance and job satisfaction[42, 43].

Based on the integration of these theoretical perspectives and empirical findings, the following hypotheses are proposed:

H2: Inspirational motivation positively affects work performance.

H3: Inspirational motivation positively influences employee motivation.

H4: Idealized influence has a positive direct impact on work performance.

H5: Idealized influence positively affects employee motivation.

H6: Intellectual stimulation positively influences work performance.

H7: Intellectual stimulation positively affects employee motivation.

H8: Individualized consideration has a positive direct impact on work performance.

H9: Individualized consideration positively affects employee motivation.

Power Distance as a Moderating Variable

Power distance (PD) reflects the extent to which hierarchical differences are accepted within an organization[18]. In Vietnamese public organizations, high power distance may constrain open communication and limit employee participation in decision-making processes[12, 19]. Empirical evidence suggests that in high PD environments, the positive effects of transformational leadership on employee motivation and performance can be weakened. For instance, hierarchical barriers may diminish the benefits of inspirational leadership by restricting open communication[18, 44], and the effectiveness of role modeling may be compromised due to limited upward communication[6, 45]. Similarly, high PD can suppress the creative behaviors encouraged by intellectual stimulation[46], and personalized support may be less effective if employees expect directive leadership and clear hierarchical guidance[47]. Based on these insights, the following hypotheses are proposed:

H10: Power distance moderates the relationship between employee motivation and work performance, such that the positive effect of motivation on performance is weaker in environments with high power distance.

H11: Power distance moderates the relationship between inspirational motivation and work performance, with a weaker effect in high PD environments.

H12: Power distance moderates the relationship between idealized influence and work performance, such that the positive impact of idealized influence is attenuated in high PD environments.

H13: Power distance moderates the relationship between intellectual stimulation and work performance, with the effect being weaker in high PD environments.

H14: Power distance moderates the relationship between individualized consideration and work performance, such that the positive effect of individualized consideration is reduced in high PD environments.

This study proposes a model (Figure 1) in which the four dimensions of transformational leadership—Inspirational Motivation, Idealized Influence, Intellectual Stimulation, and Individualized Consideration—positively influence employee motivation and work performance, while power distance moderates these relationships, potentially reducing their effectiveness in high PD environments.

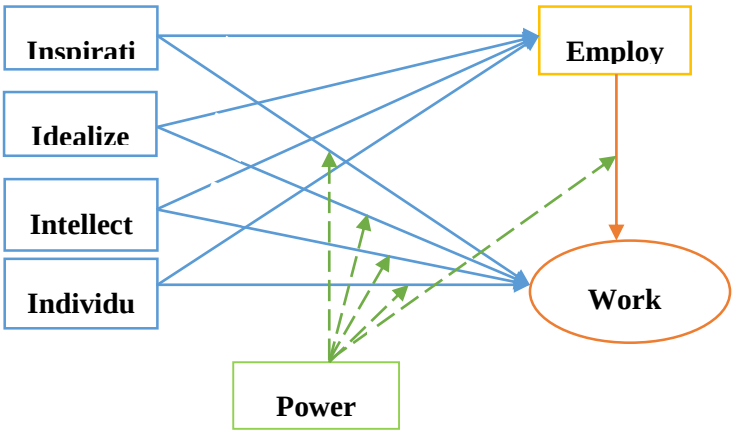

Figure 1. Theoretical proposed model

Research Design

In this study, a mixed-methods approach was employed, combining qualitative and quantitative techniques. Initially, measurement scales were developed based on an extensive review of the literature and previous research. These scales were translated into Vietnamese and then subjected to a rigorous back-translation process with the assistance of linguistic experts to eliminate language bias and ensure conceptual equivalence between the original and translated instruments. A focus group comprising ten participants—five managers and five employees—was then convened to refine these scales. By integrating managerial perspectives with employee insights, the focus group helped ensure that the measurement instruments were both culturally appropriate and professionally relevant for capturing the nuances of the work environment.

Table 1. The result of the pilot test (n=63)

Construct	Number of items	Cronbach's Alpha	The minimum value of corrected item - total correlation
Inspirational Motivation	3	0.855	0.818
Idealized Influence	4	0.796	0.703
Intellectual Stimulation	3	0.798	0.712
Individualized Consideration	3	0.786	0.686
Power Distance	5	0.794	0.736
Employee Motivation	4	0.724	0.628
Work Performance	4	0.808	0.705

Source: Author's own calculation

To assess the reliability and validity of the revised scales, a pilot study was conducted with 63 employees from hospitals in Can Tho City using SPSS version 24. Cronbach's Alpha was used as the key metric, with values above 0.7 and corrected item-total correlations exceeding 0.3 deemed acceptable[48]. Table 1 summarizes the pilot test results: for example, the Inspirational Motivation construct (3 items) achieved a Cronbach's Alpha of 0.855 and a minimum corrected item-total correlation of 0.818, while other constructs—including Idealized Influence, Intellectual Stimulation, Individualized Consideration, Power Distance, Employee Motivation, and Work Performance—also met or exceeded these reliability thresholds. The lowest observed values were 0.724 for Cronbach's Alpha and 0.528 for the corrected item-total correlation, thereby confirming the suitability and reliability of the revised scales for the study's objectives.

Following the pilot study, the primary data were collected using the revised measurement scales among employees in public hospitals in Vietnam's Mekong Delta region. This region was selected due to its unique cultural context, hierarchical work environment, and high job demands on healthcare workers. Given the challenges of accessing busy healthcare employees, a convenience sampling

method was employed. Out of 700 distributed questionnaires, 586 were returned (an 83.7% response rate); after excluding 82 incomplete responses, 504 valid questionnaires were analyzed. Table 2 summarizes the demographic characteristics of the sample (N=341), detailing the frequency and percentage distributions by gender, marital status, age group, and educational level.

All constructs in the conceptual model were measured using validated multi-item scales adapted from prior studies, with responses recorded on a 5-point Likert scale ranging from (1) Strongly Disagree to (5) Strongly Agree. Specifically, the constructs of Inspirational Motivation, Idealized Influence, Intellectual Stimulation, and Individualized Consideration were measured using indicators related to professionalism, management distance, frequency, and integration[49]. Power Distance was assessed using scales developed by[50]. Work Motivation was adapted from Herzberg's Two-Factor Theory, emphasizing achievement, recognition, and advancement[51, 52]. Finally, Work Performance was assessed through task and contextual performance[53].

Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM), which is particularly suitable for complex models with multiple latent variables, small to medium sample sizes, non-normal data distributions, and models that include mediating or moderating variables[54]. The PLS-SEM analysis was conducted in four steps: (1) evaluation of the measurement model to ensure reliability and validity (including discriminant validity); (2) assessment of the structural model to analyze relationships among latent variables; (3) hypothesis testing of direct, mediating, and moderating effects; and (4) evaluation of the overall model fit to confirm construct quality.

RESEARCH RESULT

Demographic characteristics

Table 2 summarizes the demographic characteristics of the 504 respondents. Of these, 216 (42.9%) were female and 288 (57.1%) were male. In terms of marital status, 108 respondents (21.4%) reported being single, while 117 (23.2%) were married. The age distribution revealed that 143 respondents (28.4%) were between 18 and 25 years old, 136 (27.0%) were between 26 and 35, 44 (8.7%) were between 36 and 45, and 220 (43.7%) were over 45 years old. Regarding educational attainment, 146 respondents (29.0%) held a diploma, 94 (18.7%) had completed a pass course, 113 (22.4%) possessed a bachelor's degree, and 115 (22.8%) held a master's degree or higher. In summary, the selected sample is well-suited to meet the research objectives.

Table 2. Demographic characteristics

N=504		Frequency	Percent
Gender	Female	216	42.9
	Male	288	57.1
Marital status	Single	108	21.4
	Married	117	23.2
Age groups	18-25	143	28.4
	26-35	136	27.0
	36-45	44	8.7
	>45	220	43.7
Educational level	Diploma	146	29.0
	Pass Course	94	18.7
	Bachelor	113	22.4
	Master and Above	115	22.8

Source: Author's own calculation

Measurement Model Analysis

To assess the measurement model, indicator loadings, reliability, and convergent validity were evaluated. Standardized loadings were required to exceed 0.708 with t-values greater than ±1.96 for significance at the 5% level[54]. Alternatively, using confidence intervals that exclude zero [55] offers a nuanced indication of significance. In our study, the lowest standardized loading was 0.718 (WE4) with a minimum t-statistic of 19.872, confirming that all indicator loadings were statistically significant. Additionally, indicator reliability—calculated by squaring each loading—was above 0.5 for all items.

Construct reliability was examined using Cronbach's alpha and composite reliability (CR), with both metrics needing to exceed 0.70 to be deemed acceptable. Although CR is preferred for its weighted nature, values above 0.95 would indicate redundancy. In our findings, Cronbach's alpha and CR values ranged from 0.841 to 0.930, remaining below the redundancy threshold. Convergent validity was confirmed through Average Variance Extracted (AVE) values, all of which were 0.610 or higher, exceeding the minimum criterion of 0.5. These results collectively demonstrate that the measurement model is both reliable and valid for the constructs under investigation.

Table 3. Reliability and Validity

Constructs	Items	Outer Loadings	AVE	Cronbach's Alpha	CR	Collinearity
Inspirational Motivation	IM1	0.898	0.780	0.859	0.914	2.448
	IM2	0.899				2.389
	IM3	0.852				1.886
Idealized Influence	ID1	0.866	0.717	0.869	0.910	2.337
	ID2	0.853				2.084
	ID3	0.833				2.050
	ID4	0.836				2.024
Intellectual Stimulation	IS1	0.828	0.728	0.813	0.889	1.650
	IS2	0.877				1.974
	IS3	0.855				1.831
Individualized Consideration	IC1	0.894	0.815	0.887	0.930	2.379
	IC2	0.908				2.691
	IC3	0.907				2.618
Power Distance	PD1	0.838	0.689	0.887	0.917	2.231
	PD2	0.856				2.400
	PD3	0.838				2.235
	PD4	0.804				1.930
	PD5	0.814				1.994
Employee Motivation	EM1	0.878	0.779	0.905	0.934	2.592
	EM2	0.881				2.590
	EM3	0.877				2.515
	EM4	0.894				2.860
Work Performance	WP1	0.834	0.708	0.863	0.907	2.090
	WP2	0.857				2.195
	WP3	0.831				1.930
	WP4	0.844				2.008

Note: AVE= Average Variance Extracted; CR= Composite Reliability

Source: Author's own calculation

Table 4. Discriminant Validity- Heterotrait-Monotrait Ratio (HTMT)- Matrix

	EM	ID	IC	IM	IS	PD	WP	PD x EM	PD x IC	PD x IS	PD x ID
ID	0.832										
IC	0.824	0.696									
IM	0.675	0.548	0.69								
IS	0.549	0.575	0.51	0.386							
PD	0.850	0.722	0.859	0.638	0.544						
WP	0.838	0.824	0.787	0.633	0.778	0.784					
PD x EM	0.489	0.434	0.359	0.304	0.311	0.426	0.439				
PD x IC	0.338	0.272	0.197	0.197	0.233	0.298	0.259	0.799			
PD x IS	0.294	0.277	0.233	0.215	0.225	0.248	0.259	0.603	0.592		
PD x ID	0.413	0.369	0.275	0.248	0.278	0.348	0.338	0.833	0.736	0.685	
PD x IM	0.316	0.273	0.219	0.276	0.236	0.259	0.266	0.670	0.686	0.450	0.559

Note: EM= Employee Motivation; ID= Idealized Influence; IC= Individualized Consideration; IM= Inspirational Motivation; IS= Intellectual Stimulation; PD= Power Distance; WP= Work Performance.

Source: Author's own calculation

Discriminant validity was evaluated using both the HTMT ratio and the Fornell-Larcker criterion. As shown in Table 4, all HTMT values between constructs were below the recommended threshold of 0.90, with the overall model HTMT value at 0.85, indicating adequate distinctiveness among the constructs[56]. Table 5 further demonstrates that for every construct, the square root of the AVE exceeds its correlations with all other constructs, confirming that each construct is empirically distinct. These findings collectively support the robustness of the measurement model by ensuring that the constructs capture unique aspects of the theoretical framework.

Table 5. Discriminant Validity- Fornell Larcker Criterion - Matrix

Constructs	EM	ID	IC	IM	IS	PD	WP
EM	0.883						
ID	0.738	0.847					
IC	0.739	0.611	0.903				
IM	0.596	0.475	0.602	0.883			
IS	0.470	0.483	0.434	0.323	0.853		
PD	0.762	0.634	0.762	0.558	0.463	0.830	
WP	0.742	0.716	0.691	0.546	0.654	0.687	0.842

Note: EM= Employee Motivation; ID= Idealized Influence; IC= Individualized Consideration; IM= Inspirational Motivation; IS= Intellectual Stimulation; PD= Power Distance; WP= Work Performance.

Source: Author's own calculation

Direct Path Analysis

Table 3 shows that all collinearity values were below the recommended threshold of 3.0[57], indicating that multicollinearity is not a concern and that there is no redundancy among the predictors, thereby ensuring reliable estimates of the path coefficients.

Table 6. Direct Path Analysis

Hypothesis	**Path**	**Co-efficient**	**T-statistics**	**P-values**	**Decision**	**f-square**
H1	Employee Motivation -> Work Performance	0.191	4.379	0.000	Accepted	0.036
H2	Inspirational Motivation -> Work Performance	0.080	2.790	0.005	Accepted	0.014
H3	Inspirational Motivation -> Employee Motivation	0.163	5.122	0.000	Accepted	0.054
H4	Idealized Influence -> Work Performance	0.225	6.333	0.000	Accepted	0.079
	Idealized Influence -> Employee Motivation	0.408	12.646	0.000	Accepted	0.306
H6	Intellectual Stimulation -> Work Performance	0.323	12.039	0.000	Accepted	0.279
H7	Intellectual Stimulation ->	0.063	2.291	0.022	Accepted	0.010

	Employee Motivation					
H8	Individualized Consideration -> Work Performance	0.147	3.709	0.000	Accepted	0.026
H9	Individualized Consideration -> Employee Motivation	0.364	11.232	0.000	Accepted	0.213

Source: Author's own calculation

The structural model results support all the hypothesized relationships (Table 6). Specifically, H1 posited that employee motivation positively influences work performance, and the analysis confirms this with a coefficient of 0.191 (t = 4.379, p < 0.001, f^2 = 0.036). H2, which suggests that inspirational motivation has a positive effect on work performance, was also supported (β = 0.080, t = 2.790, p = 0.005, f^2 = 0.014). Furthermore, H3 demonstrated that inspirational motivation significantly enhances employee motivation (β = 0.163, t = 5.122, p < 0.001, f^2 = 0.054). With respect to idealized influence, H4 shows a positive effect on work performance (β = 0.225, t = 6.333, p < 0.001, f^2 = 0.079), while H5 reveals a strong positive impact on employee motivation (β = 0.408, t = 12.646, p < 0.001, f^2 = 0.306). Additionally, H6 indicates that intellectual stimulation has a significant positive effect on work performance (β = 0.323, t = 12.039, p < 0.001, f^2 = 0.279), and H7 confirms a positive, albeit modest, effect on employee motivation (β = 0.063, t = 2.291, p = 0.022, f^2 = 0.010). Finally, H8 and H9 establish that individualized consideration positively influences work performance (β = 0.147, t = 3.709, p < 0.001, f^2 = 0.026) and employee motivation (β = 0.364, t = 11.232, p < 0.001, f^2 = 0.213), respectively. These results collectively provide strong empirical support for the proposed model, indicating that transformational leadership dimensions significantly drive both employee motivation and work performance in public hospitals.

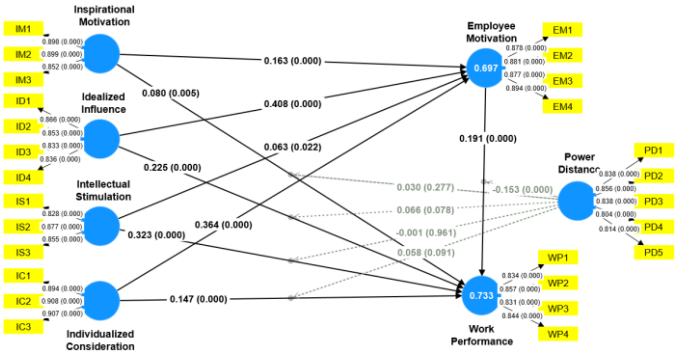

Figure 2. Empirical Framework

The Moderation Analysis

The moderation analysis assessed how power distance (PD) influences the relationship between transformational leadership components and work performance.

Table 7: Moderating Path Analysis

Hypothesis	Path	Co-efficient	T-statistics	P-values	Decision
	Power Distance -> Work Performance	0.075	1.736	0.083	
H10	Power Distance x Employee Motivation -> Work Performance	-0.153	3.552	0.000	Accepted
H11	Power Distance x Inspirational	0.030	1.087	0.277	Rejected

	Motivation -> Work Performance				
H12	Power Distance x Idealized Influence -> Work Performance	0.066	1.764	0.078	Rejected
H13	Power Distance x Intellectual Stimulation -> Work Performance	-0.001	0.049	0.961	Rejected
H14	Power Distance x Individualized Consideration -> Work Performance	0.058	1.690	0.091	Rejected

Source: Author's own calculation

As shown in Table 7, the interaction between PD and employee motivation significantly affected work performance (β = -0.153, t = 3.552, p < 0.001), supporting H10. In contrast, the interactions of PD with inspirational motivation (β = 0.030, t = 1.087, p = 0.277), idealized influence (β = 0.066, t = 1.764, p = 0.078), intellectual stimulation (β = -0.001, t = 0.049, p = 0.961), and individualized consideration (β = 0.058, t = 1.690, p = 0.091) were not statistically significant, leading to the rejection of H11, H12, H13, and H14. Additionally, the direct effect of PD on work performance (β = 0.075, t = 1.736, p = 0.083) was marginal. Overall, these findings indicate that while PD moderates the impact of employee motivation on work performance, it does not significantly alter the effects of other transformational leadership dimensions on performance.

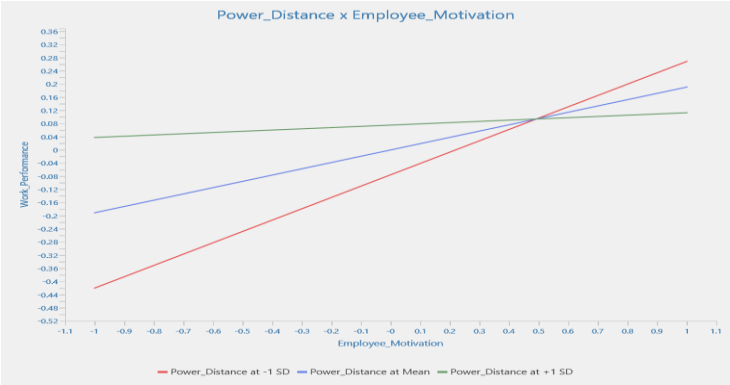

Figure 3. Moderating effects of Power Distance on the link between Employee Motivation and Work Performance

Table 8 presents the global fit results for the model. The average variance extracted (AVE) across the constructs is 0.745, and the average R^2 is 0.715. The global fit measure (GoF) is computed as the square root of the product of the average AVE and average R^2[58], resulting in a GoF of 0.730. This value substantially exceeds the recommended threshold of 0.36[56], thereby confirming that the model has a strong overall fit and robust explanatory power.

Table 8. Results of the global fit measure (GoF) and Q^2predict

Constructs	Average variance extracted (AVE)	R-square
Power distance	0.689	
Intellectual Stimulation	0.728	
Work Performance	0.708	0.733
Individualized Consideration	0.815	
Employee motivation	0.779	0.697

Inspirational Motivation	0.780	
Idealized Influence	0.717	
Average AVE	0.745	
Average R2		0.715
GoF = √(Average AVE* Average R2)	0.730	

Source: Author's own calculation

DISCUSSION

The findings of this study indicate that transformational leadership plays a significant role in enhancing job performance among hospital employees, primarily through its positive effects on employee motivation. Our results confirm that transformational leadership dimensions—such as Inspirational Motivation, Idealized Influence, Intellectual Stimulation, and Individualized Consideration—contribute directly to increased employee motivation and subsequently improve work performance. These findings are in line with earlier studies[3, 5, 23], which have demonstrated that leaders who inspire and empower their teams tend to foster a more motivated and productive workforce.

A notable contribution of our research is the identification of the mediating role of employee motivation. Consistent with the principles of Self-Determination Theory [13] and Expectancy Theory[14], our results suggest that motivated employees are more likely to engage in proactive behaviors and achieve superior performance outcomes. This aligns with recent empirical work [8, 20] that underscores the importance of intrinsic and extrinsic motivational factors in driving job performance.

Furthermore, our study provides insight into the moderating role of power distance (PD) in this relationship. In environments characterized by high PD, where hierarchical barriers prevail, the positive impact of transformational leadership on employee motivation appears to be weakened. This suggests that in public hospitals with a rigid hierarchical structure, employees may be less receptive to transformational practices, potentially due to cultural norms that discourage open communication and active participation. These findings corroborate previous research [44-46] and highlight the need for leadership approaches that are sensitive to cultural contexts.

This study extends the understanding of transformational leadership by focusing on its effects within Vietnamese public hospitals—a context markedly different from Western or private sector settings. Experimental results indicate that while the dimensions of transformational leadership (inspirational motivation, idealized influence, intellectual stimulation, and individualized consideration) significantly enhance employee motivation and work performance, their impact is moderated by the prevailing high power distance. Unlike in Western environments where flatter organizational structures often facilitate open communication and active employee participation, our findings reveal that the rigid hierarchical culture in Vietnamese public hospitals can dampen these positive effects. For example, despite leaders displaying strong inspirational behaviors, employees reported limited engagement and innovation due to cultural constraints that inhibit upward communication. This observation aligns with previous research [18, 44] and underscores the importance of considering cultural dimensions in leadership studies.

The practical implications of our findings are significant. Hospital administrators should focus on cultivating transformational leadership qualities while simultaneously addressing cultural constraints such as high power distance. Unlike in Western or private sector contexts, where participative decision-making is more common, Vietnamese public hospitals often operate under strict hierarchical norms. To overcome these challenges, administrators are encouraged to implement targeted training programs that promote more participative leadership practices. Such initiatives might include leadership development workshops and communication skill enhancement sessions designed to empower lower-level employees. By reducing hierarchical barriers, hospitals can foster a more inclusive environment, thereby boosting employee motivation and ultimately enhancing job performance and service quality.

CONCLUSION

This study demonstrates that transformational leadership is a critical driver of job performance in public hospitals, primarily by enhancing employee motivation. The research highlights that while all dimensions of transformational leadership contribute positively to employee outcomes, the effectiveness of these dimensions is moderated by power distance. High power distance can dampen the motivational benefits of transformational leadership, suggesting that cultural context must be considered in leadership development initiatives.

The novelty of this research lies in its focus on Vietnamese public hospitals—a setting that has received limited attention in the transformational leadership literature—and in its exploration of power distance as a moderating factor. These findings offer practical insights for healthcare administrators seeking to improve leadership practices and enhance employee performance, ultimately leading to better healthcare service quality.

Future research should extend this work by employing longitudinal designs and exploring additional moderating variables, such as organizational support or job autonomy, to further elucidate the complex interplay between leadership, motivation, and performance in diverse cultural and organizational settings.

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