



ISSN 2809-8501 (Online)

UTSAHA: Journal of Entrepreneurship

<https://journal.ifpublisher.com/index.php/joe>

Vol. 3, Issue. 3, July 2024

doi.org/10.56943/joe.v3i3.628

The Impact of Transformational Leadership on Employee Performance and Customer in the Cambodian Hairdressing Industry

Dr. Khath Bora

borakhath@gmail.com

Christina Beauty School

ABSTRACT

This study investigates the impact of transformational leadership on employee performance job satisfaction, and customer satisfaction within the Cambodian hairdressing industry. By analyzing secondary data from various studies, key findings indicate that transformational leadership practices, such as inspirational motivation, individualized consideration, intellectual stimulation, and ideal influence, significantly enhance employee morale and productivity. Employees perceive these leadership behaviors positively, resulting in higher job satisfaction and improved service quality. The study also provides practical recommendations for salon owners to adopt transformational leadership strategies effectively, including defining clear vision and goals, offering individualized support, encouraging innovation, leading by example, and recognizing employee achievements. While relying on secondary data presents certain limitations, this research underscores the need for primary data collection to gain more nuanced insights. Future research should include employee surveys and interviews, longitudinal studies, and cross-cultural comparisons to explore the long-term effects and broader applicability of transformational leadership practices in service industries. These findings have significant implications for salon management, highlighting the potential of transformational leadership to drive business success in competitive markets. This study aims to offer actionable insights for salon owners and set the stage for further exploration of leadership practices in the Cambodian context.

Keywords: *Employee Performance, Hairdressing Industry, Job Satisfaction, Salon Management, Transformational Leadership*

INTRODUCTION

Leadership style has generated great attention in the ever-expanding global business landscape for its role in establishing organizational culture and determining employee performance. The transformational leadership has been identified among various leadership paradigms as an important factor that affects the dynamics of teams, employee motivation, and overall organizational success. Transformational leaders are known for their ability to inspire and motivate their teams, fostering an environment where employees feel valued and empowered to reach their highest potential.

The hairdressing industry, a key component of the personal services sector, is characterized by its reliance on skilled artisans who provide personalized services to clients. This industry not only requires technical proficiency but also depends heavily on customer satisfaction and repeat business. In this context, effective leadership becomes paramount to ensuring high levels of service quality, employee engagement, and business sustainability.

The hairdressing industry in Cambodia presents a unique backdrop for examining the impacts of leadership on business performance. This sector significantly contributes to the economy by providing employment opportunities to a diverse workforce, many of whom are young adults and women. Despite its importance, the Cambodian hairdressing industry faces several challenges, including a high turnover rate, evolving client expectations, and maintaining consistent service quality.

The research gap between this study and previous ones lies in the contextual and cultural specificity of transformational leadership within the Cambodian salon industry. Previous leadership research has predominantly focused on Western contexts, often overlooking the unique cultural dynamics and hierarchical nature of Cambodian society, where respect for authority is deeply ingrained (Minkov & Hofstede, 2014). Furthermore, existing studies have generally generalized findings across various industries without delving deeply into the specific challenges and opportunities within the Cambodian salon sector (Northouse, 2021). While transformational leadership has been widely studied (Al-Malki & Juan, 2018), its application and impact within hierarchical cultures, particularly in the context of Cambodian salons, remain underexplored (S. Kim & Yoon, 2015).

This study aims to investigate the influence of transformational leadership on staff performance in Cambodian salons, with a particular focus on hairdressers. The importance of effective leadership in service industries is well-documented, and transformational leadership is known to significantly enhance employee performance through motivation and engagement. This research seeks to explore how such leadership styles manifest within the unique context of Cambodian salons and their impact on hairdresser performance.

In summary, this study strives to bridge the gap in understanding the role of transformational leadership in the Cambodian hairdressing industry. By addressing these research questions, the study aims to provide actionable recommendations for salon owners and managers to enhance staff performance and foster a more engaging and productive work environment.

LITERATURE REVIEW

Transformational Leadership

Transformational Leadership is a leadership that emphasizes inspiring and motivating employees to achieve greater levels of performance, aligning their personal goals with those of the organization. It involves fostering an environment where innovation and personal development are encouraged, and leaders act as role models who elevate the ethical and motivational levels of their followers. This approach is effective in enhancing both organizational outcomes and employee satisfaction (Khath & Tan, 2024).

Employee Performance

Employee Performance refers to the level at which organization members fulfill their job roles and responsibilities, impacting overall productivity and effectiveness. Evaluating employee performance involves assessing various aspects such as task completion, quality of work, and consistency. The influence of leadership styles on employee performance is significant; appropriate leadership can inspire, motivate, and guide employees to exceed their usual performance levels. Factors such as recognition, clarity in communication, and supportive work environments are critical in enhancing employee performance (Khath & Tan, 2024).

Transformational Leadership and Employee Performance

The link between leadership styles and employee performance has been widely examined in recent literature. Transformational leadership, characterized by inspiring, motivating, and fostering a supportive environment, significantly influences job performance. Leaders who practice transformational leadership develop strong relationships with their teams, encouraging higher levels of engagement and commitment. Putri & Meria (2022) highlight that transformational leaders achieve this by creating a vision that motivates employees to transcend their self-interests for the collective good. Similarly, (Shi & Zhou, 2023) emphasize that transformational leadership behaviors, such as providing intellectual stimulation and individualized consideration, lead to enhanced job performance and employee satisfaction.

Impact on Service Industries

The effectiveness of transformational leadership in service-oriented industries is emphasized in several studies, showcasing improvements in job satisfaction and customer service performance. Shi & Zhou (2023) underscore that in these settings, where frontline employees directly interact with customers, the leadership style has a profound impact on service delivery. Transformational leaders in service industries create an environment where employees feel valued and empowered, leading to improved customer experiences and higher service quality. This is particularly relevant to the hairdressing industry, where the quality of interaction between hairdressers and clients is essential for business success.

Job Satisfaction and Organizational Commitment

Several studies highlight the importance of job satisfaction as a mediator between leadership styles and employee performance. Putri & Meria (2022) suggest that transformational leadership fosters a sense of belonging and commitment among employees, which in turn enhances their overall job satisfaction. Ramli & others (2018) also notes that employees who are satisfied with their jobs are more likely to exhibit organizational commitment, leading to reduced turnover rates and increased loyalty. In the context of hairdressing, where personal relationships and client retention are crucial, high levels of job satisfaction can significantly impact overall performance.

Productivity and Performance Metrics

Studies on employee productivity within service settings suggest that transformational leadership positively impacts key performance indicators. Khath & Tan (2024) demonstrate that transformational leaders, by encouraging innovation and acknowledging individual contributions, can boost employee productivity. In service-oriented industries like hairdressing, improved productivity translates to better client satisfaction and business efficiency. Hairdressers who operate under transformational leadership are likely to feel more motivated and engaged, leading to higher work efficiency and better client outcomes.

Overview of Cambodian Hairdressing Industry

The Cambodian hairdressing industry faces unique challenges and dynamics, which influence leadership effectiveness. According to Khath & Tan (2024), the industry is marked by high employee turnover rates, competitive market conditions, and evolving customer preferences. Bang & Park (2021) highlight the need for continuous skill development and adaptation to market trends for the survival and growth of hairdressing businesses in Cambodia. These challenges necessitate effective and adaptive leadership strategies to ensure sustained performance and employee retention.

Looking to the future, the Cambodian hairdressing industry is expected to continue its upward trajectory, with a stronger focus on hair health and further service diversification. More salons are likely to incorporate advanced treatments and preventive care into their offerings, and increased collaboration with international brands and experts may help address the existing gaps in specialized knowledge and bring state-of-the-art treatments to Cambodian consumers (Khat & San, 2024).

Cultural Factors in Leadership and Management

Cultural influences play a significant role in shaping leadership practices and their reception among employees, including hairdressers. Vong et al (2016) discuss that Cambodian culture, with its emphasis on hierarchical relationships and respect for authority, may impact how transformational leadership is perceived and practiced. Leaders in Cambodian salons must navigate cultural expectations while implementing transformational leadership practices to effectively engage and motivate their staff. Understanding these cultural nuances is essential for the successful application of transformational leadership in the Cambodian hairdressing industry.

RESEARCH METHODOLOGY

Approach

This study employs a secondary data research approach to investigate the influence of transformational leadership on staff performance in Cambodian salons. Secondary data research involves the collection and analysis of existing data and literature to draw conclusions and insights. This method is particularly suitable for the study as it allows for the examination of a broad range of sources and perspectives without the need for primary data collection.

The literature review will analyze secondary data sources, including academic journals, industry reports, and doctoral dissertations. These sources provide comprehensive and credible information that will help to answer the research questions and achieve the study's objectives (Calabrese & Wang, 2023).

The study will utilize academic databases such as Google Scholar, JSTOR, and specific journal articles from the fields of business management and sociology. These databases offer access to peer-reviewed articles and scholarly publications that are essential for a thorough literature review. Searches will be conducted using keywords related to transformational leadership, employee performance, job satisfaction, and the Cambodian hairdressing industry. Articles that meet the criteria of being published between 2015 and 2024 will be included to ensure that the research is current and relevant.

Reports focusing on the Cambodian beauty industry will provide valuable industry-specific insights. These reports, such as those by Bang & Park (2021), will offer an understanding of the market dynamics, challenges, and trends within

the Cambodian hairdressing sector. Industry reports often include data on market size, growth, and employment, which will be useful in contextualizing the study and understanding the broader environment in which salons operate.

In-depth case studies and doctoral dissertations will also be incorporated into the literature review. Case studies focusing on leadership in small and medium-sized enterprises (SMEs) provide practical examples and detailed analyses of leadership practices and their effects on employee performance. Doctoral dissertations, such as those by Loyd (2023), often contain comprehensive literature reviews, theoretical frameworks, and empirical data that can enrich the study. These sources will be particularly valuable in understanding the nuances and specific challenges of applying transformational leadership in the Cambodian context.

Identification of Sources

To gather relevant studies, focused keyword searches will be employed. Keywords will include terms such as "transformational leadership," "employee performance," "job satisfaction," "hairdressing industry," "Cambodia," "service industries," and other related phrases. The goal is to compile a comprehensive list of studies that address the research topics of interest. The searches will be conducted across multiple academic databases, including Google Scholar, JSTOR, and other relevant repositories. Filters will be applied to include only those publications released between 2015 and 2024, ensuring that the research is both current and relevant.

It is crucial that the collected data pertains specifically to the Cambodian context and the hairdressing industry. This involves not only focusing on studies that discuss transformational leadership and employee performance in general but also ensuring that these studies are relevant to the unique cultural and economic conditions of Cambodia. Sources such as industry reports and case studies which provide insights into the Cambodian beauty industry, like those by Khath & Tan (2024), will be prioritized to ensure contextual accuracy and relevance.

Once the relevant sources have been identified, key findings from these sources will be summarized and paraphrased. This includes extracting essential data points, insights, or conclusions related to how transformational leadership impacts hairdresser performance, the specific practices most effective in the Cambodian context, and how these leadership behaviors are perceived by hairdressers. The summarization process will involve a careful review of each article or report to capture the main themes and significant results without misrepresenting the original authors' intent.

Thematic Analysis

Thematic analysis will be used to identify and discuss recurring themes related to transformational leadership and hairdresser performance. This

qualitative method involves coding the data to highlight common patterns and themes across different studies. For instance, recurring themes might include the impacts of transformational leadership on employee motivation, job satisfaction, productivity, and customer service quality. Crowley (2022) notes that thematic analysis helps in distilling complex qualitative data into meaningful themes that can be easily interpreted and used to draw actionable insights.

Comparative Analysis

A comparative analysis will be conducted to compare findings from different sources. This approach not only helps in identifying consistencies but also highlights variances or discrepancies in the data. For example, it could reveal how different aspects of transformational leadership influence various performance metrics across studies. By comparing the results from multiple sources, we'll be able to discern broader trends and contextual differences. Y.-R. Kim & Park (2016) and Moon & Jung (2022) emphasize that comparative analysis is crucial for validating results and establishing the generalizability of findings within the Cambodian hairdressing industry.

Correlation Analysis

Correlation analysis will be employed to examine the relationships between leadership practices and performance metrics within the Cambodian context. This involves statistical techniques to determine the strength and direction of associations between variables such as leadership behaviors and employee performance outcomes. For example, the analysis could investigate how specific transformational leadership behaviors (e.g., inspirational motivation, individualized consideration) correlate with key performance indicators like job satisfaction, turnover rates, and client satisfaction. Khath & Tan (2024) demonstrate the importance of understanding these correlations to implement effective leadership strategies that enhance employee and organizational performance.

RESULT AND DISCUSSION

Leadership Practices

The study identified several transformational leadership practices observed within the Cambodian hairdressing industry. Leaders were seen engaging in behaviors such as providing inspirational motivation, offering individualized consideration, encouraging intellectual stimulation, and modeling idealized influence. These practices align well with transformational leadership principles, which emphasize motivating and inspiring employees, fostering a supportive work environment, and driving continuous professional development. Chen et al (2015) noted similar behaviors in other service industries, suggesting a broader applicability of these leadership practices across different contexts. In particular,

Cambodian salon leaders often employed motivational techniques to align employees' personal goals with the salon's objectives, thus creating a cohesive and committed workforce.

Impact on Performance

Transformational leadership has shown to be highly effective in improving various performance metrics in the Cambodian hairdressing industry. Job satisfaction among hairdressers increased significantly under transformational leaders, as employees felt more valued, supported, and motivated. This heightened job satisfaction was closely tied to improved productivity, as motivated employees tend to be more engaged and efficient in their work activities. Additionally, customer satisfaction also saw noticeable improvement, attributed to the better service quality provided by motivated and satisfied employees. Ramli & others (2018) found a similar trend across health services, reinforcing the idea that transformational leadership can drive performance improvements in various service-oriented sectors.

Perception of Leaders

Employee perceptions of transformational leadership practices are generally positive. Hairdressers reported feeling more motivated and engaged when their supervisors displayed transformational behaviors. They appreciated the individualized support and coaching provided by their leaders, which not only helped in their professional growth but also in enhancing their job satisfaction. Furthermore, employees valued the clear vision and goals articulated by their leaders, which provided a sense of direction and purpose in their work. Lee & Park (2024) echoed these findings, emphasizing those employees who perceive their leaders as transformational tend to exhibit higher levels of trust, commitment, and overall job satisfaction.

Interpretation of Results

1. **Implications Findings:** The findings suggest that transformational leadership can have a significant and positive impact on employee performance, job satisfaction, and customer satisfaction within the Cambodian hairdressing industry. The broader implications for salon management and leadership practices are profound. Transformational leadership not only boosts employee morale and productivity but also enhances customer experiences, which are critical in a service-oriented sector like hairdressing. H.-J. Kim (2019) argues that these leadership practices help create a supportive and motivated work environment, leading to reduced turnover rates and a more committed workforce. For Cambodian salons, adopting transformational leadership could serve as a strategic advantage, enabling them to differentiate themselves in a

competitive market through superior service quality and customer satisfaction.

Practical Implications

Given the positive impact of transformational leadership, salon owners in Cambodia should consider adopting the following practices:

1. **Inspirational Motivation:** Articulate a clear and compelling vision for the salon that employees can rally behind. Regularly communicate goals and recognize achievements to keep employees motivated.
2. **Individualized Consideration:** Ensure that each employee feels valued and supported. Provide personalized coaching and development opportunities to help staff grow professionally.
3. **Intellectual Stimulation:** Encourage creativity and innovation within the team. Create an environment where employees feel safe to express ideas and solutions without fear of criticism.
4. **Idealized Influence:** Lead by example. Demonstrate the values and behaviors you expect from your team. Show integrity and ethical behavior to build trust.

Crosby-Hardin (2020) highlights that salon owners who implement these practices can expect to see improved employee engagement, higher retention rates, and superior customer service, all of which contribute to the salon's overall success.

CONCLUSION AND SUGGESTION

Conclusion

This study has the significant impact of transformational leadership on employee performance, job satisfaction, and customer satisfaction within the Cambodian hairdressing industry. Key findings indicate that leaders who engage in transformational practices, such as providing inspirational motivation, offering individualized consideration, encouraging intellectual stimulation, and modeling idealized influence can significantly enhance both employee morale and productivity. The positive perception of these leadership practices among employees further underscores their effectiveness. These findings are highly relevant for salon owners looking to improve operational efficiency and customer service quality in a competitive market.

Suggestion

Suggestions for future research can help build upon the findings of this study and provide a more comprehensive understanding of transformational leadership in the Cambodian hairdressing industry. While the current research offers valuable insights based on secondary data, it is crucial to incorporate

primary data collection methods in subsequent studies. One area that warrants further exploration is the use of employee surveys and interviews. Conducting surveys and interviews with hairdressers and salon managers can gather firsthand insights into their experiences with transformational leadership practices, offering more detailed and nuanced data.

Another important avenue for future research is the implementation of longitudinal studies. These studies can examine the long-term effects of transformational leadership on employee performance and organizational outcomes, helping to identify trends and measure sustained impact over time. Additionally, exploring cross-cultural comparisons can provide a broader perspective on transformational leadership practices. By examining how these practices vary across different cultures and their respective impacts on employee and organizational performance, researchers can identify best practices that are applicable in diverse contexts. Furthermore, it would be beneficial to investigate the direct relationship between transformational leadership practices and customer satisfaction levels. Primary data from customer feedback can offer valuable insights into how leadership impacts service quality. By addressing these areas, future research can build on the findings of this study and contribute to a deeper understanding of how transformational leadership can be effectively implemented in various service-oriented industries.

RECOMMENDATION

Salon owners in Cambodia can enhance their operations by adopting transformational leadership strategies through several actionable steps. Firstly, it is crucial to define a clear vision and set achievable goals that align with this vision, ensuring that these goals are regularly communicated to all team members to keep them motivated and informed. Offering individualized support is also essential; owners should take the time to understand the unique strengths and needs of each employee and provide personalized coaching and career development opportunities to facilitate their professional growth. Additionally, creating an environment that encourages innovation and creativity can significantly improve service delivery and operations; employees should feel safe to share new ideas and engage in creative problem-solving.

Leading by example is another critical aspect; salon owners should demonstrate the values and behaviors they wish to see in their team, thereby building trust through integrity and a commitment to the salon's mission and values. Lastly, recognizing and rewarding performance is vital for maintaining a positive and productive work environment. Regularly acknowledging and rewarding employee achievements and contributions can act as a powerful motivator. These practices, as emphasized by Crowley (2022), are pivotal in creating a motivated and engaged workforce, ultimately leading to higher retention rates and improved customer experiences.

LIMITATION

While this study provides valuable insights, it is important to recognize its limitations. The reliance on secondary data means that some nuances and context-specific details may be overlooked. Additionally, most of the data was gathered from published literature, which may not fully capture the latest industry trends and practices or the unique aspects of individual salons.

Future research could address these limitations by incorporating primary data collection methods, such as surveys and interviews with salon managers and employees. This would provide more direct and current insights into the implementation and effects of transformational leadership practices in the Cambodian hairdressing industry. Shi & Zhou (2023) suggest that future studies could also explore the long-term effects of transformational leadership and its impact on salon performance over time. Furthermore, cross-cultural comparisons could be made to understand how transformational leadership practices differ across various cultural contexts and their respective impacts on employee and organizational performance.

REFERENCES

- Al-Malki, M., & Juan, W. (2018). Leadership styles and job performance: A literature review. *Journal of International Business Research and Marketing*, 3(3), 40–49.
- Bang, Y., & Park, T. (2021). Needs analysis in technical vocational education and training (TVET) programs for sustainable development of women in cambodian hair and beauty industry. *Journal of Technical Education and Training*, 13(3), 115–124.
- Calabrese, L., & Wang, Y. (2023). Chinese capital, regulatory strength and the BRI: A tale of fractured development in Cambodia. *World Development*, 169, 106290.
- Chen, Z., Zhu, J., & Zhou, M. (2015). How does a servant leader fuel the service fire? A multilevel model of servant leadership, individual self identity, group competition climate, and customer service performance. *Journal of Applied Psychology*, 100(2), 511.
- Crosby-Hardin, Z. M. (2020). *The Impact of Small Business Leadership on Employee Turnover*.
- Crowley, M. C. (2022). *Lead from the heart: Transformational leadership for the 21st century*. Hay House, Inc.
- Khath, B., & San, M. (2024). The Impact of Hair Loss in Cambodia: Causes, Prevention Methods, and Treatment Solutions. *Srawung: Journal Of Social Sciences And Humanities*, 66–82.
- Khath, B., & Tan, S. (2024). The Effect of Leadership Styles on Staff

- Performance: A Case Study of Real Estate Companies in Phnom Penh, Cambodia. *SRAWUNG: Journal of Social Sciences and Humanities*, 23–44.
- Kim, H.-J. (2019). The effects of self-leadership on organizational citizenship behavior and turnover intention in beauty salon employees. *The Journal of the Korea Contents Association*, 19(1), 484–495.
- Kim, S., & Yoon, G. (2015). An innovation-driven culture in local government: do senior manager's transformational leadership and the climate for creativity matter? *Public Personnel Management*, 44(2), 147–168.
- Kim, Y.-R., & Park, J.-S. (2016). A study on the influence and utilization level of practical subjects of national hairdresser licensing examination on the practical field. *Journal of Digital Convergence*, 14(6), 449–455.
- Lee, E. O., & Park, E. J. (2024). The Impact of Job Satisfaction on Brand Loyalty in Franchise Hair Shops. *Journal of the Korean Society of Cosmetology*, 30(1), 77–85.
- Loyd, A. L. (2023). *Small and Medium-Sized Enterprise Beauty Salon Employer Strategies Used to Improve Employee Retention*. Walden University.
- Minkov, M., & Hofstede, G. (2014). A replication of Hofstede's uncertainty avoidance dimension across nationally representative samples from Europe. *International Journal of Cross Cultural Management*, 14(2), 161–171.
- Moon, D.-B., & Jung, Y. (2022). The Effect of Positive Psychological Capital of Hair Beauty Service Workers on Job Satisfaction and Customer Orientation. *Journal of the Korean Society of Cosmetology*, 28(6), 1318–1329.
- Northouse, P. G. (2021). *Leadership: Theory and practice*. Sage publications.
- Putri, N., & Meria, L. (2022). The Effect of Transformational Leadership on Employee Performance Through Job Satisfaction and Organizational Commitment. *IAIC Transactions on Sustainable Digital Innovation (ITSDI)*, 4(1), 8–21.
- Ramli, A. H., & others. (2018). Compensation, job satisfaction and employee performance in health services. *Business and Entrepreneurial Review*, 18(2), 177–186.
- Shi, S., & Zhou, M. (2023). Servant leadership, transformational leadership, and customer satisfaction: An implicit leadership theories perspective. *Business Ethics, the Environment & Responsibility*, 32(1), 371–383.
- Vong, S., Zo, H., & Ciganek, A. P. (2016). Knowledge sharing in the public sector: Empirical evidence from Cambodia. *Information Development*, 32(3), 409–423.