MINISTRY OF EDUCATION AND TRAINING
TAY DO UNIVERSITY

THE IMPACT OF TRANSFORMATIONAL LEADERSHIP ON EMPLOYEES' MOTIVATION AND WORK PERFORMANCE IN PUBLIC HOSPITALS IN CAN THO CITY

SUMMARY

DOCTORAL DISSERTATION IN BUSINESS ADMINISTRATION

CAN THO CITY, 2025

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DOCTORAL DISSERTATION

Major: Business Administration

Code: 9340101

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CHAPTER 1
INTRODUCTION TO THE RESEARCH TOPIC

1.1. Research Rationale

Practical Context: In Can Tho City—the healthcare hub of the Mekong Delta—public hospitals are facing increasing pressure due to workforce shortages, limited working conditions, and inadequate compensation. In the first half of 2022 alone, 111 healthcare workers resigned, including 48 physicians (Can Tho Department of Health), highlighting the instability of human resources in the public health sector. High-stress work environments, symbolic reward systems, and the absence of clear career development paths are key reasons for declining employee motivation. Furthermore, the hierarchical organizational culture and high power distance restrict employee participation and innovation. In the post-COVID-19 context and in response to increasing demands for healthcare reform, identifying effective solutions to enhance motivation and work performance in public healthcare is critical.

In addition to organizational factors, public service motivation (PSM)—a concept reflecting commitment, a spirit of social service, and a sense of community responsibility—has been recognized as a distinctive source of intrinsic motivation for public sector employees (Perry & Wise, 1990). Exploring the indirect influence of leadership on performance through PSM offers a new approach for studying organizational behavior in public healthcare institutions.

Theoretical Context: Transformational leadership (Bass, 1985)—a style characterized by inspirational motivation, intellectual stimulation, and individualized consideration—has been shown to positively influence employee motivation and performance across numerous empirical studies (Spinelli, 2006; Tran et al., 2020). Moreover, work motivation theory (Deci & Ryan, 2000) emphasizes that both intrinsic and extrinsic motivations are significantly shaped by leadership behavior. However, power distance—a prominent cultural trait in Vietnam (Hofstede, 1980)—may moderate these relationships. As such, empirical research in the context of public hospitals in Can Tho is necessary to provide appropriate managerial implications.

Therefore, this dissertation proposes the topic: “The Impact of Transformational Leadership on Employee Motivation and Work Performance in Public Hospitals in Can Tho City.”

1.2. Research Objectives

- To explore the key factors that influence employee motivation and work performance within the context of public hospitals in Can Tho City.

- To assess the extent to which transformational leadership components affect employee motivation and work performance, providing empirical evidence on the strength and direction of these relationships.

- To investigate the moderating effect of power distance on the relationship between transformational leadership, employee motivation, and work performance.

- To examine potential variations in the structural relationships among key variables across demographic subgroups, including gender, age, education level, and income.

- To propose practical managerial implications aimed at enhancing employee motivation and work performance in public healthcare institutions based on the study's empirical findings.

1.3. Research Subjects and Scope

- Research Subject: This dissertation focuses on transformational leadership, work motivation, power distance, and employee performance in public hospitals in Can Tho City.

- Survey Participants: Staff with at least one year of experience working in specialized departments in public hospitals at the district level or higher in Can Tho. Primary data were collected using a probability sampling method.

- Content Scope: The study investigates the direct effect of transformational leadership on job performance, the mediating role of motivation, and the moderating role of power distance.

- Geographical Scope: Public hospitals in Can Tho City.

- Time Frame: Secondary data: 2019–2023; Primary data: Collected from March to May 2024

1.4. Research Contributions

- Theoretical Contributions: The study strengthens and expands transformational leadership theory in the context of Vietnamese public hospitals, clarifying the impact of four leadership components—idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration—on motivation and performance. It also integrates expectancy theory, two-factor theory, and power distance to explain the mediating role of motivation and the moderating role of power distance, reflecting Vietnam's cultural organizational characteristics. Furthermore, this study suggests the potential integration of public service motivation as a novel theoretical lens to explain the factors that sustain long-term motivation among healthcare workers in the public sector.

- Practical Contributions: The dissertation identifies core factors for improving performance, such as transformational leadership, creativity encouragement, and personalized care. The findings offer hospital managers evidence-based strategies to boost motivation, adopt appropriate leadership styles, implement transparent reward systems, and foster personal development. Understanding power distance aids in adapting management practices to public sector culture.

- Policy Contributions: The study provides policy recommendations such as transformational leadership training, enhanced compensation systems, and career development pathways for healthcare workers—contributing to workforce quality and service improvement in public hospitals in Can Tho.

1.5. Summary of Methods

This research adopts a mixed-methods approach. The qualitative phase involved expert interviews and focus groups to develop the research model and adapt measurement scales to the public hospital context. The quantitative phase used a structured questionnaire with a 5-point Likert scale to collect primary data from hospital staff. Analytical techniques included descriptive statistics, reliability and validity assessment, and evaluation of the measurement and structural models using PLS-SEM to test research hypotheses.

1.6. Structure of the Dissertation

Chapter 1: Introduction to the research topic

Chapter 2: Theoretical foundation, hypotheses, and research model

Chapter 3: Research design

Chapter 4: Research findings and discussion

Chapter 5: Conclusions and managerial implications

CHAPTER 2
THEORETICAL FOUNDATION AND RESEARCH MODEL

2.1. Overview of Key Concepts in Previous Studies

2.1.1. Public Hospitals

Public hospitals are healthcare institutions established and managed by the State to provide medical services to the general population, particularly low- and middle-income groups. As the cornerstone of the national healthcare system, public hospitals operate under civil service mechanisms, possess legal status, and are governed by state regulations. However, they often face numerous challenges such as patient overload, staff shortages, limited infrastructure, and inadequate compensation schemes. These factors directly affect the operational efficiency and motivation of healthcare personnel. In the specific context of Can Tho City—where public hospitals play a vital role—examining the role of transformational leadership is crucial to improving the working environment and enhancing healthcare service delivery.

2.1.2. Employee Job Performance in Public Hospitals

Job performance refers to the extent to which healthcare employees fulfill their duties, the quality of their work, and their contribution to organizational goals. Performance indicators include task completion, accuracy, innovation, collaboration, and patient satisfaction. Performance is not only determined by individual competence but also by organizational factors such as leadership style, working conditions, compensation policies, and employee engagement. In public hospital settings, high workload, limited resources, and underdeveloped evaluation systems further impact performance. Therefore, investigating factors that enhance job performance—particularly transformational leadership and work motivation—is essential for improving operational outcomes in public hospitals.

2.1.3. Work Motivation

Work motivation is an internal psychological state that drives individuals to initiate, sustain, and direct work-related behavior. According to Self-Determination Theory (SDT), motivation can be categorized into intrinsic (e.g., interest, job meaningfulness) and extrinsic (e.g., salary, rewards) components. In the context of public hospitals, work motivation is influenced by multiple factors including the work environment, leadership style, recognition, and opportunities for professional development. Research shows that intrinsic motivation is closely linked to job satisfaction and performance. Transformational leadership is regarded as a key factor in fostering motivation by inspiring employees, supporting personal growth, and creating a

positive organizational climate. Exploring the mediating role of work motivation in the relationship between leadership and job performance forms a theoretical foundation of this study.

2.1.4. Transformational Leadership

Transformational leadership is a leadership style aimed at fostering positive change in organizations through four key components: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. This style enhances employee commitment, creativity, and job performance. Prior studies have shown that transformational leaders can improve working conditions, encourage employees to transcend personal limits, and foster long-term organizational commitment. In public hospitals—where staff often face high pressure and resource constraints—transformational leadership is especially important in motivating and guiding teams toward development. An in-depth analysis of this leadership style is essential to understand its impact on performance within the specific context of Vietnamese public healthcare institutions.

2.2. Theoretical Foundations

2.2.1. Transformational Leadership Theory

Transformational Leadership Theory, initiated by Burns (1978) and further developed by Bass (1985), emphasizes the leader's role in fostering positive organizational change through inspiration, intellectual stimulation, and individualized development. Unlike transactional leadership, which focuses on control and rewards, transformational leadership aims to create a long-term vision, generate intrinsic motivation, and foster sustained commitment. According to Bass and Avolio (1994), the model consists of four components: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. Numerous empirical studies have demonstrated that transformational leadership enhances work motivation, improves performance, and strengthens organizational commitment. In the context of public hospitals, where pressure is high and resources are limited, this leadership style is particularly relevant for improving service quality and retaining medical staff.

2.2.2. Expectancy Theory

Expectancy Theory (Vroom, 1964) explains that an individual's work motivation depends on three key factors: (1) expectancy – the belief that effort will lead to desirable performance; (2) instrumentality – the belief that good performance will result in rewards; and (3) valence – the perceived value of those rewards. The theory asserts that high motivation occurs only when all three elements are present. In public hospitals, if employees believe that their efforts are recognized and lead to meaningful rewards (e.g., salary, promotion, recognition), they are likely to perform better. Therefore, leaders and managers should establish transparent and fair evaluation and reward systems while fostering employees' confidence in their ability to achieve goals, thus enhancing work performance.

2.1.3. Two-Factor Theory

Two-Factor Theory (Herzberg, 1959) divides factors affecting motivation into two groups: motivators and hygiene factors. Motivators such as recognition, career advancement, achievement, and meaningful work drive employees toward higher engagement and creativity. In contrast, hygiene factors such as salary, working conditions, workplace relationships, and job security merely prevent dissatisfaction but do not necessarily promote motivation. In public

hospitals, transformational leadership can boost motivation by enhancing motivator factors—such as providing opportunities for personal development, recognizing employee contributions, and fostering a meaningful work environment. This theory helps managers understand that improving both motivators and hygiene factors is essential for enhancing employee performance.

2.1.4. Power Distance Theory

Power Distance Theory (Hofstede, 1980) explains the extent to which power inequality is accepted within organizations. In high power distance environments, authority is concentrated at the top, with limited employee participation in decision-making, which may lead to reduced motivation and a less democratic workplace. In contrast, low power distance organizations promote distributed authority, encouraging employee participation and open communication, thereby fostering creativity and improving performance. This theory is particularly important in evaluating transformational leadership, as power distance can either enhance or hinder the leader's ability to inspire, stimulate innovation, and build organizational commitment. Thus, understanding and appropriately managing power distance is crucial for improving motivation and work outcomes in public hospital settings.

2.2.5. Public Service Motivation Theory

The Public Service Motivation theory, proposed by Perry and Wise (1990), explains the unique motivational drivers of public sector employees, rooted in a desire to serve the community, contribute to society, and pursue public values. PSM consists of key dimensions such as compassion, commitment to public service, civic duty, and social justice. Research has shown that PSM promotes job performance, professional satisfaction, and organizational commitment. In the context of public hospitals—which have a mission to serve the community while facing financial constraints—PSM represents an important source of intrinsic motivation. Although not included in the current empirical model, this study highlights the potential integration of PSM as a means to enhance the work performance of healthcare professionals in the public sector.

2.3. Empirical Studies

A review of empirical studies shows that job performance has been approached from multiple theoretical perspectives, including transformational leadership, expectancy theory, two-factor theory, self-determination, social exchange, power distance, and job satisfaction. Many studies have affirmed the mediating role of satisfaction and intrinsic motivation in influencing performance (Dizgah et al., 2012; Ghaffari et al., 2017), yet research remains limited in the public healthcare sector. Other studies have expanded the framework by incorporating modern organizational factors such as learning culture and public service motivation (Min et al., 2021), but an integrated model is still lacking. Research focusing on transformational leadership has significantly contributed to explaining mechanisms that affect performance (Xenikou, 2017; Sürücü et al., 2022); however, most of these studies have not considered Vietnam's cultural context, particularly its high power distance. More recently, Nhat Vuong et al. (2023) explored the moderating role of power distance, though without an in-depth analysis of transformational leadership components or individual-level factors. Thus, there is a pressing need for research that integrates transformational leadership, work motivation, and power distance into a comprehensive model to clarify the mechanism influencing healthcare staff performance in public hospitals.

A frequency analysis of 22 empirical studies reveals that intrinsic motivation is the most frequently investigated factor, followed by organizational culture, transformational leadership, extrinsic motivation, employee engagement, public service motivation, and job satisfaction. Traditional elements such as motivation and satisfaction remain central, aligning with classical theories such as Herzberg and Vroom. At the same time, modern factors like transformational leadership, power distance, and public service motivation reflect a shift in public management models toward greater efficiency and innovation. The concurrent presence of traditional and contemporary factors indicates a growing trend toward integrative research in public sector performance. This is particularly relevant in Vietnam, where the public sector is undergoing deep structural reforms. As such, effective HR management policies should address not only personal motivation but also leadership style, organizational culture, and decentralization.

2.4. Research Gaps

Previous studies on the relationship between transformational leadership and job performance have primarily focused on the private sector in developed countries, which may not fully reflect the unique characteristics of the public sector in Vietnam—where collective culture, high power distance, and limited resources prevail. Public hospitals, in particular, remain under-researched, despite being representative environments of administrative constraints and bureaucratic pressure. Additionally, the moderating role of power distance and the mediating role of work motivation have not been thoroughly examined in the relationship between transformational leadership and job performance. The individual components of transformational leadership have also not been analyzed separately, which limits the understanding of specific impact mechanisms. Moreover, differences based on gender, age, and educational level have not been adequately addressed, nor has the mechanism through which motivation translates into performance in contexts lacking material incentives, such as the public sector. These represent the theoretical and practical gaps that this study seeks to address.

2.3. Research Hypotheses and Model

H1: Work motivation positively affects job performance.

H2: Inspirational motivation positively affects job performance.

H3: Inspirational motivation positively affects work motivation.

H4: Idealized influence positively affects job performance.

H5: Idealized influence positively affects work motivation.

H6: Intellectual stimulation positively affects job performance.

H7: Intellectual stimulation positively affects work motivation.

H8: Individualized consideration positively affects job performance.

H9: Individualized consideration positively affects work motivation.

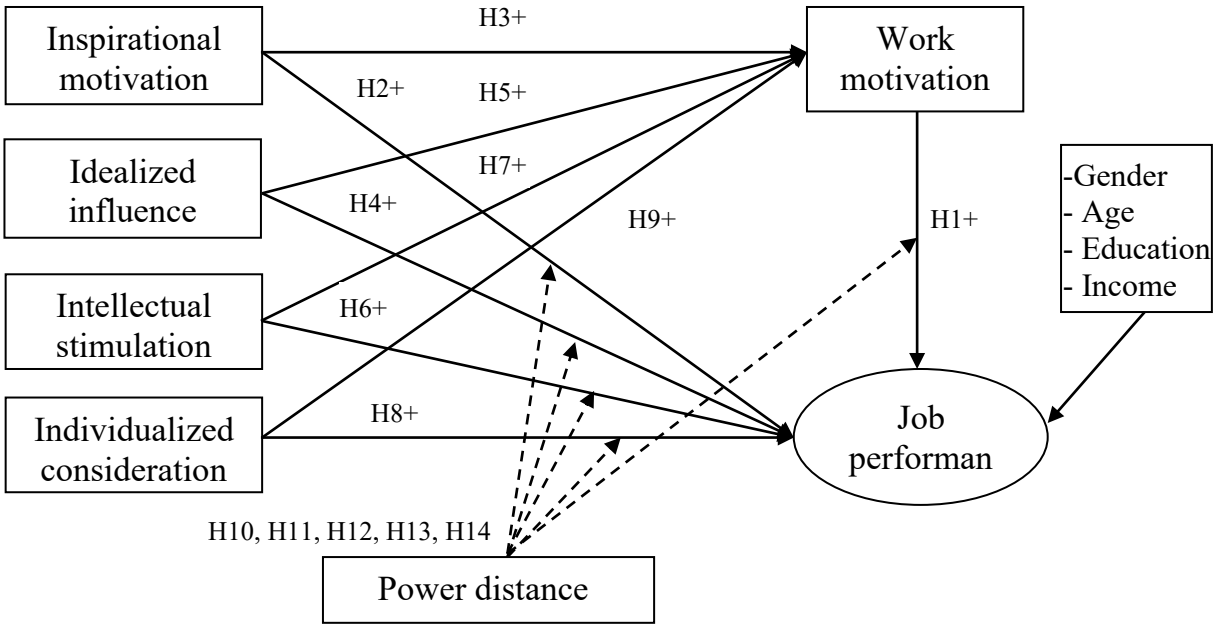
H10: Power distance moderates the relationship between work motivation and job performance.

H11: Power distance moderates the relationship between inspirational motivation and job performance.

H12: Power distance moderates the relationship between idealized influence and job performance.

H13: Power distance moderates the relationship between intellectual stimulation and job performance.

H14: Power distance moderates the relationship between individualized consideration and job performance.



Hình 2.1. Research model

Source: Author's own

Relationship between theories and hypotheses

Theory	Hypothesis	Explanation of the Relationship
Expectancy Theory; Two-Factor Theory; Public Service Motivation Theory	H1	Work motivation plays a central role in improving job performance. According to Expectancy Theory, employees exert effort when they believe it will lead to valuable rewards. Herzberg's Two-Factor Theory posits that intrinsic motivators contribute to sustainable performance enhancement.
Transformational Leadership	H2, H4, H6, H8	Transformational leadership enhances performance through inspirational motivation, intellectual stimulation, and individualized consideration. These components help foster a positive work environment and improve employee effectiveness.
Transformational Leadership; Expectancy Theory	H3, H5, H7, H9	Transformational leadership enhances employees' motivation by elevating their expectations and perceived value of work. Work motivation acts as a mediating mechanism linking leadership behaviors to job performance in the research model.
Power Distance	H10, H11, H12, H13, H14	Power distance moderates the impact of leadership and motivation on performance. In high power distance cultures, the influence of transformational leadership and

Theory	Hypothesis	Explanation of the Relationship
		motivation may be amplified or diminished depending on how employees perceive hierarchical authority.

CHAPTER 3
RESEARCH DESIGN

3.1. Research Process

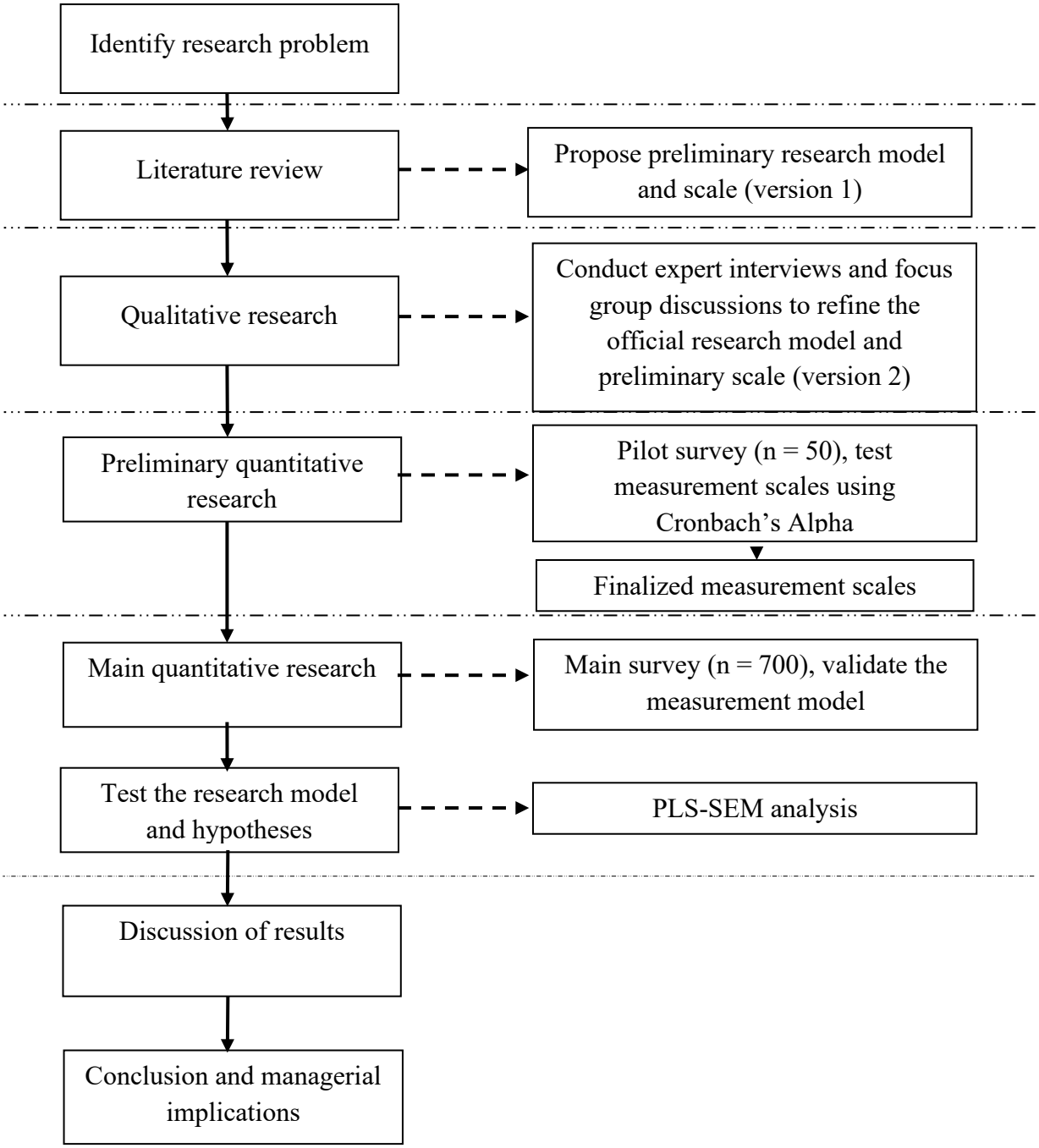


Figure 3.1. Research process

Source: Author's own

3.2. Qualitative Research

3.2.1. Expert and Manager Interviews

Feedback from three university lecturers confirmed that integrating transformational leadership theory with the expectancy theory, two-factor theory, and power distance is appropriate. They also recommended the use of a Likert scale to measure job performance. Six hospital managers emphasized that employee performance is influenced by individual,

organizational, environmental, and societal factors. They also highlighted the specific characteristics of the healthcare sector, such as time pressure and the need for continuous training. Moreover, they noted that high power distance can help maintain order but may inhibit creativity. They suggested revising the wording of measurement items to better reflect employees' perceptions. Additionally, several participants suggested considering Public Service Motivation (PSM) as a factor explaining the distinct intrinsic motivation of public healthcare workers, thereby expanding the theoretical foundation and guiding future research on organizational behavior in the public sector.

3.2.2. In-depth Focus Group Discussions

The study conducted in-depth focus group discussions with nine employees from public hospitals to explore the influence of transformational leadership on motivation and work performance. The participants clearly identified features of transformational leadership such as inspirational motivation, individualized consideration, and intellectual stimulation. They perceived this leadership style as enhancing motivation and performance but acknowledged certain challenges in the public healthcare environment due to resource constraints, pressure, and generational gaps. Some participants also pointed out that transformational leadership could lack practicality if not supported by specific solutions. Nevertheless, after prior adjustments, participants showed a clear understanding of the measurement items, indicating that the survey instrument was appropriate for the research context.

3.2.3. Hypotheses and Research Model after Qualitative Phase

Based on the qualitative research findings, the factors were predicted to be associated with the mediating variable (work motivation) and the dependent variable (job performance). Therefore, the hypotheses and research model initially proposed by the author remained unchanged following the qualitative phase. Although PSM was not formally incorporated into the tested model, this study preliminarily assessed its theoretical relevance as a complementary approach to explain the mechanism of intrinsic motivation in public hospital settings.

3.2.4. Wording and Coding of Measurement Scales

Table 3.1. Measurement Scales

Construct	Item Content	Code	Source
Job Performance (KQ)	I always fully complete the tasks specified in my job description.	KQ1	Dizgah et al. (2012), Nhat Vuong (2023)
	I fully meet the performance requirements set by the organization.	KQ 2	
	I fulfill all responsibilities within the scope of my assigned duties.	KQ	
	I never neglect or overlook tasks that fall under my responsibility.	KQ 4	
Work Motivation (DL)	I am always aware of my responsibilities and strive to complete assigned tasks effectively.	DL1	Al Banin et al. (2020), Liu et al. (2019), Luthans (2002)
	I work with clear goals and understand my role in contributing to the organization's success.	DL 2	
	I feel that my current income fairly reflects my work performance.	DL 3	
	I work with the hope that my efforts and results will be recognized and appreciated by supervisors and	DL 4	

Construct	Item Content	Code	Source
	colleagues.		
Inspirational Motivation (CH)	The leader conveys a clear and inspiring vision of the future that helps me find direction and meaning in my work.	CH1	Bass & Avolio (2004), Eliyana (2020)
	The leader encourages me to think positively, focus on solutions, and aim for greater goals.	CH2	
	The leader sets high standards that challenge me to exceed my personal limits.	CH3	
Idealized Influence (LT)	The leader consistently adheres to ethical values and acts fairly and righteously in all situations.	LT1	Bass & Avolio (2004), Eliyana (2020)
	I feel proud to work with this leader because they are inspirational and a trustworthy role model.	LT2	
	The leader makes decisions based on collective benefits, balancing individual, team, and organizational interests.	LT3	
	The leader frequently emphasizes the importance of long-term goals, helping me understand the organization's direction and sustainability.	LT4	
Intellectual Stimulation (TT)	The leader helps me view issues from multiple perspectives and analyze situations more creatively and comprehensively.	TT1	Bass & Avolio (2004), Eliyana (2020)
	The leader encourages me to try out new ideas and provides opportunities to express creativity at work.	TT2	
	The leader frequently questions existing solutions, prompting me to explore more effective alternatives.	TT3	
Individualized Consideration (CN)	The leader pays attention to my individual needs and understands my circumstances, challenges, and aspirations at work.	IC1	Bass & Avolio (2004), Eliyana (2020)
	The leader regularly mentors me to develop my skills and offers advice to enhance my professional competence.	CN2	
	The leader provides opportunities for learning and development through training, new challenges, or meaningful projects.	CN3	
Power Distance (QL)	In most cases, managers should make decisions without consulting subordinates.	QL1	Kirkman et al. (2009), Nhat Vuong (2023)
	At work, managers have the right to require subordinates to comply with their decisions.	QL2	
	When employees frequently question authority, it may create difficulties for managers.	QL3	
	Employees should not challenge decisions made by senior leaders.	QL4	
	Employees should not express disagreement with their managers.	QL5	

Source: Author's own

3.3. Quantitative research

3.3.1. Preliminary quantitative study

The preliminary phase aimed to assess the initial reliability of the measurement scales and refine the questionnaire. The author conducted a survey of 63 employees at public hospitals in

Can Tho City using a 5-point Likert scale, and analyzed the data using Cronbach's Alpha in SPSS. The results showed that all scales met the reliability threshold (Alpha > 0.7), with no items needing removal. The Cronbach's Alpha coefficients ranged from 0.724 to 0.885, indicating high internal consistency among observed variables. Therefore, the original model and measurement scales were retained for the main quantitative study.

3.3.2. Data collection method

The study employed the PLS-SEM model to test the research hypotheses. The minimum sample size was determined based on three criteria: the "10-times rule" (Hair et al., 2014) suggesting at least 100 observations, Cohen's (1988) recommendation of 169 cases to achieve 80% statistical power, and the Taro Yamane formula (1967), which indicated a minimum of 378 observations for a population of approximately 7,000. To ensure reliability and generalizability, the author surveyed 700 employees across public hospitals in Can Tho City. A stratified random sampling technique was used, based on the staff size of each hospital. The questionnaire was proportionally distributed among 23 healthcare institutions to ensure representative coverage of the entire study population.

3.3.3. Data analysis method

The PLS-SEM approach was applied to test the theoretical model and hypotheses. This method is suitable for non-normally distributed data, small sample sizes, and complex models. The analysis was conducted in three stages: descriptive statistics, evaluation of the measurement model, and assessment of the structural model. The measurement model was evaluated using factor loadings, reliability indices (CR, AVE), discriminant validity (HTMT), and content validity. The structural model was assessed through multicollinearity (VIF), path coefficients, R^2, f^2, Q^2, and PLSpredict. The PLSpredict procedure was used to evaluate the model's out-of-sample predictive power, based on MAE and RMSE comparisons with a linear regression benchmark. Additionally, the study examined mediating and moderating effects, and conducted multi-group analysis to identify differences across demographic subgroups. Robustness checks were also performed to ensure reliability and enhance the academic contribution of the research.

CHAPTER 4

RESEARCH RESULTS AND DISCUSSION

4.1. Results

4.1.1. Measurement model

The measurement model was evaluated using four key criteria: indicator reliability, internal consistency reliability, convergent validity, and discriminant validity. The results indicated that all outer loadings met the threshold of ≥ 0.708, ensuring indicator reliability. Reliability indicators, including Cronbach's Alpha, composite reliability (ρC), and Dijkstra-Henseler's rho (ρA), fell within acceptable ranges, indicating high internal consistency among observed variables. Convergent validity was confirmed through Average Variance Extracted (AVE), with all constructs exceeding the required value of 0.5. Discriminant validity was assessed using both the Fornell–Larcker criterion and the Heterotrait-Monotrait Ratio (HTMT), with all values meeting standard requirements. These results confirm that the measurement

scales are reliable and valid for use in the subsequent structural model analysis.

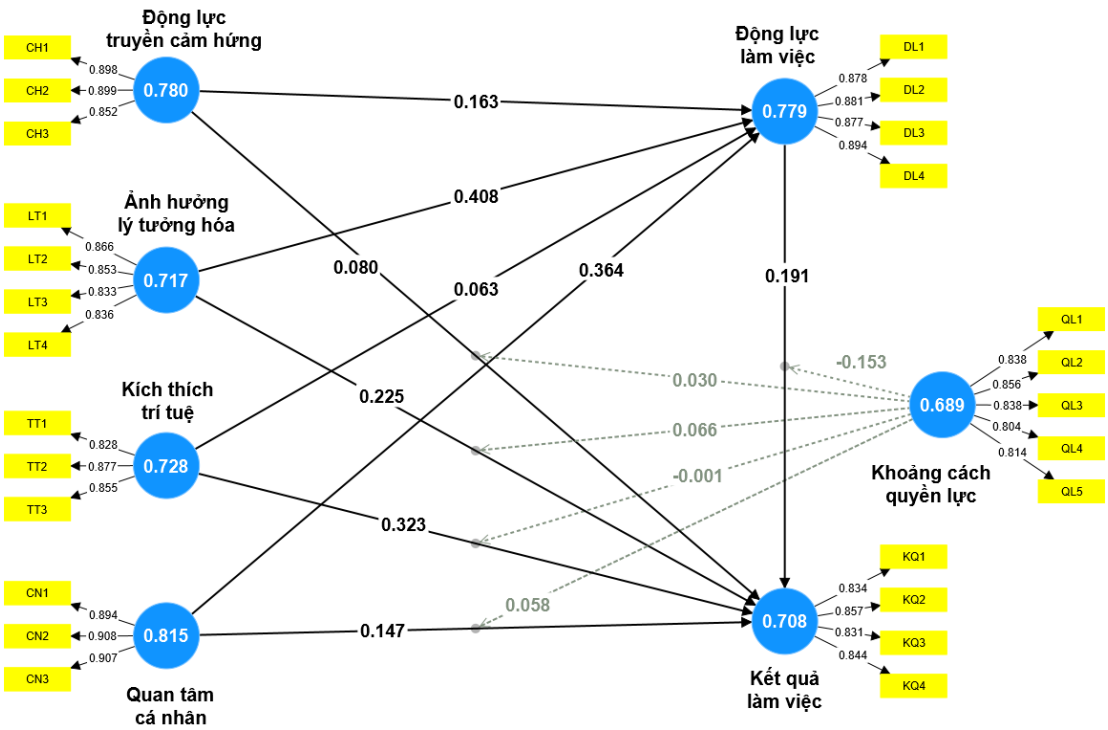


Figure 4.1. Measurement model showing outer loadings and AVE

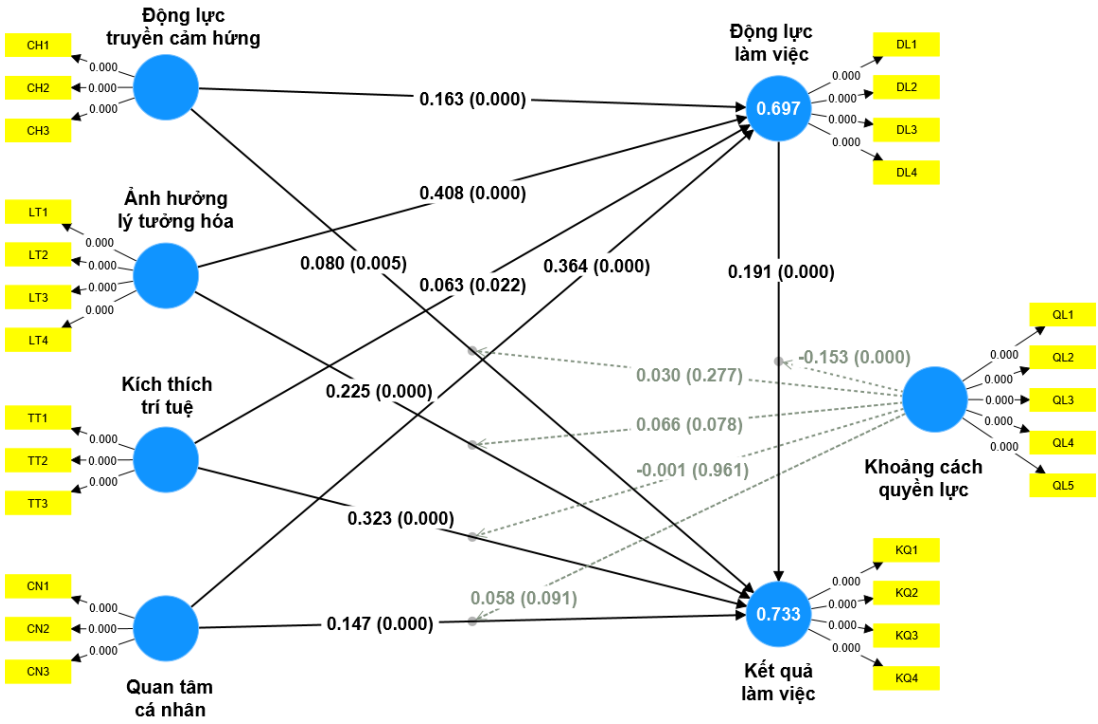
Source: Author's own calculation

4.1.2. Structural model

Following confirmation of the measurement model's reliability, the structural model was tested to examine the relationships among variables. The results showed no multicollinearity issues (VIF < 3), confirming the stability of the estimates. The model demonstrated a high level of explanatory power, with adjusted R^2 values of 0.727 for Work Motivation and 0.695 for Job Performance. All nine direct-effect hypotheses were supported at a statistically significant level ($p < 0.05$). Among the predictors, Idealized Influence had the strongest effect on Work Motivation ($\beta = 0.408$), while Intellectual Stimulation had the most significant impact on Job Performance ($\beta = 0.323$). These findings underscore the essential role of transformational leadership in enhancing both motivation and performance, through components such as idealized influence, intellectual stimulation, inspirational motivation, and individualized consideration.

Moderation analysis revealed that only Hypothesis H10 was supported, showing that Power Distance negatively moderated the relationship between Work Motivation and Job Performance ($\beta = -0.153$, $p < 0.001$). Hypotheses H11–H14 were not statistically significant, indicating that Power Distance did not significantly moderate the relationships between transformational leadership components and job performance. Conversely, the mediation analysis confirmed that Work Motivation significantly mediated the effects of transformational leadership on performance. Idealized Influence ($\beta = 0.078$) and Individualized Consideration ($\beta = 0.069$) showed the strongest indirect effects, followed by Inspirational Motivation ($\beta = 0.031$) and Intellectual Stimulation ($\beta = 0.012$). These results highlight that transformational leadership exerts its influence primarily through enhancing employees' intrinsic motivation.

Effect size analysis (f^2) showed statistically significant relationships with f^2 values ranging from 0.01 to 0.306, indicating small to medium effects according to Cohen's (1988) guidelines. Predictive relevance was established with all Q^2_predict values exceeding zero, and most RMSE values from the PLS-SEM model being lower than those from a linear regression benchmark, confirming good predictive capability. Furthermore, the Goodness-of-Fit (GoF) index reached 0.730, surpassing the 0.36 threshold (large effect), indicating strong overall model fit. These findings confirm that the proposed model offers robust explanatory and predictive power, meeting the academic standards for model validation.



Hình 4.1. PLS-SEM model showing coefficent, P-value and R^2

Source: Author's own calculation

Multi-group analysis reveals that demographic characteristics significantly influence the relationships within the proposed model. Regarding gender, male employees are more strongly influenced by intellectual stimulation, while female employees respond more positively to individualized consideration and intrinsic motivation. In terms of age, those aged 30–40 are more sensitive to idealized influence and intellectual stimulation; employees aged 40–50 and above 50 are more affected by individualized consideration and motivation; while younger employees under 30 show stronger responses to inspirational motivation. For educational attainment, those with a master's degree or higher respond better to individualized consideration and intellectual stimulation, while high school graduates are more sensitive to work motivation. Income also reveals distinct differences: employees with higher incomes respond positively to individualized consideration, whereas lower-income groups are more influenced by inspirational motivation. These findings underscore the need to personalize leadership styles based on employee characteristics.

4.2. Discussion of Research Findings

The study confirms all nine core hypotheses (H1–H9), affirming the significant roles of transformational leadership and work motivation in enhancing job performance among public

hospital employees. Specifically, idealized influence (H4, H5) and intellectual stimulation (H6, H7) exert the strongest effects on both motivation and performance, aligning with prior findings by Sadeghi & Pihie (2012), Ogola et al. (2017), and Robbins & Davidhizar (2020). These results reinforce the view that trust in leadership and support for creativity are foundational to sustaining intrinsic motivation and high performance in public organizations. Similarly, individualized consideration (H8, H9) and inspirational motivation (H2, H3) also have positive effects, albeit to a lesser extent, consistent with empirical studies by Tucker & Russell (2004), Sharma & Singh (2017), and Rafferty & Griffin (2004).

Notably, hypothesis H10 confirms the negative moderating role of power distance in the relationship between motivation and job performance, consistent with studies by Farh et al. (2007) and Kirkman et al. (2009). This finding suggests that centralized power structures may inhibit the transformation of motivation into actual performance.

Conversely, hypotheses H11–H14 were not supported, indicating that power distance does not significantly moderate the effects of other components of transformational leadership on job performance. This outcome aligns with conclusions by Khalil et al. (2018) and Sadia & Akram (2018), who argue that in highly hierarchical public environments, personalized or inspirational leadership behaviors may not be effectively received.

The multi-group analysis further reveals that components of transformational leadership impact motivation and performance differently depending on gender, age, education, and income. Male employees are more responsive to cognitive elements like intellectual stimulation, while female employees are more sensitive to individualized consideration and inspirational motivation. Younger staff require inspiration and clear direction; middle-aged employees prioritize strategic orientation and skill development, whereas older employees value recognition and stability. Higher education and income levels are associated with greater demand for empowerment, creativity, and personal development, whereas employees with lower education and income levels prefer a stable and emotionally supportive work environment. These findings highlight the importance of adaptive leadership styles tailored to the psychological profiles and expectations of diverse workforce groups.

Beyond organizational factors, the findings highlight the potential application of PSM theory to further elucidate intrinsic motivational sources within the public healthcare environment. Integrating PSM into future research could clarify the role of public values, social responsibility, and a service-oriented mindset in sustaining employees' work performance.

CHAPTER 5
CONCLUSION AND MANAGERIAL IMPLICATIONS

5.1. Conclusion

The dissertation has established a positive relationship between transformational leadership and job performance through the mediating role of work motivation, grounded in relevant theoretical frameworks including Transformational Leadership Theory, Expectancy Theory, Two-Factor Theory, and Power Distance. All four components of transformational leadership—idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration—were found to have significant impacts on both motivation and work outcomes.

However, power distance plays a negative moderating role in the relationship between motivation and performance. These findings not only strengthen theoretical foundations but also suggest practical needs for reducing hierarchy, enhancing employee empowerment, and training leaders to be inspirational and innovation-oriented. The study offers practical contributions to public hospital HRM and provides a foundation for future research in the public sector. Additionally, the study preliminarily explored Public Service Motivation (PSM) as a theoretical lens to explain the intrinsic motivation specific to public healthcare employees. The application of PSM expands the theoretical foundation and offers a new direction for organizational behavior research in public hospitals, particularly regarding the role of public values, service orientation, and social responsibility in enhancing work performance

5.2. Managerial Implications

The dissertation proposes the development of inspirational leadership, individualized consideration, and intellectual stimulation to enhance work motivation and sustainable performance. In addition, the application of Public Service Motivation (PSM) can further strengthen motivation by promoting public values, service orientation, and social responsibility within public hospitals.

5.2.1. For Hospital Executive Boards: Creating a Culture of Innovation and Development

The executive board should foster a culture of creativity by investing in modern tools, conducting creative thinking training, and providing spaces for idea experimentation. In addition, a timely feedback and recognition system should be implemented to encourage innovation. Creativity must be aligned with organizational goals, so all ideas should be clearly guided and evaluated for impact. An environment that supports innovation will improve performance, service quality, and staff satisfaction.

5.2.2. For Department and Unit Leaders: Enhancing Motivation through Appropriate Leadership Styles

Middle managers should adopt leadership styles that emphasize inspirational motivation and idealized influence to foster intrinsic motivation among employees. This includes acting as ethical role models, sharing a compelling vision, and encouraging staff participation in important decisions. Active listening, recognizing contributions, and nurturing a sense of responsibility enhance engagement and commitment. Transparent reward systems and career development opportunities will further support long-term dedication among medical staff.

5.2.3. For HR and Training Departments: Developing Individualized Leadership Styles

The HR department should focus on developing leadership styles that emphasize individualized consideration, demonstrated by understanding employee needs, supporting skill development, and offering appropriate learning opportunities. This involves specialized training, career mentoring, and assigning challenging tasks to foster growth. Personalized attention increases motivation, loyalty, and recognition, helping to build a positive work environment and strengthen human capital in public hospitals.

5.2.4. For Public Hospital Leadership Development Units: Promoting Inspirational Leadership

Inspirational leadership plays a crucial role in enhancing both employee motivation and problem-solving abilities in public hospitals. Leaders should communicate a clear vision,

encourage positive thinking, set high standards, and enable comprehensive development. Training programs, innovation workshops, and regular feedback mechanisms should be implemented to foster a culture of continuous improvement, where every individual feels empowered to contribute and is recognized as a vital part of the organization.

5.2.5. For Hospital Managers and Direct Supervisors: Enhancing Organizational Communication

Effective communication and reducing power distance are key to improving motivation and performance in public hospitals. Leaders must build a two-way communication environment, encourage idea-sharing, and welcome constructive feedback. Adapting leadership styles to specific situations and creating opportunities for employee participation in decision-making will foster a sense of ownership and initiative. Training in communication skills for managers is essential for developing a transparent, open, and engaging workplace.

5.2.6. For HR Managers and Workforce Development Leaders: Adapting Leadership Styles to Employee Segments

Tailoring leadership styles to suit different employee segments is critical for maintaining motivation and enhancing performance. Female employees tend to respond well to individualized attention and emotional encouragement, whereas male employees prioritize intellectual stimulation and idealized influence. Younger employees require clear direction, training, and opportunities for expression, while experienced staff value recognition and empowerment. Leaders should adopt flexible approaches to ensure that each employee feels valued, recognized, and provided with opportunities for growth within the organization.

5.3. Managerial Policy Implications

5.3.1. Developing Personalized Career Development Policies

Career development policies should be tailored to different employee groups to meet learning needs and enhance competencies in the rapidly evolving healthcare environment. In addition to professional skills, emphasis should be placed on soft skills and problem-solving abilities. These policies should be linked to clear promotion pathways, enabling employees to shape their career trajectories and boosting their work motivation. Proper investment in training will enhance the quality of healthcare services and strengthen employee commitment to the organization.

5.3.2. Establishing an Ideal Leadership Model

Ideal leaders should demonstrate professional ethics, fairness, and long-term vision to inspire pride and motivation among employees. Transparent actions, decisions for the common good, and clear communication of organizational goals help employees understand the value of their work. Policies should focus on developing ideal leadership through training, transparent recognition systems, and regular updates of the organization's vision. These are essential foundations for building a sustainable organizational culture and improving engagement and performance in public hospitals.

5.3.3. Fostering an Equitable and Open Work Environment

An equitable and open work environment allows employees to feel respected and have a voice within the organization. HR policies should ensure equal opportunities for participation, contribution, and feedback across all groups, regardless of gender or qualifications. Leaders

should promote two-way communication and organize regular discussions to foster transparency and employee-driven innovation. Such an environment will improve collaboration, enhance creativity, and reinforce commitment to the hospital's shared development goals.

5.3.4. Strengthening Reward and Motivation Programs

A fair and transparent reward system is a key driver of employee performance and engagement. Rewards should be diverse, including financial incentives, promotions, recognition, and development opportunities. Importantly, performance evaluations must be clear, based on actual achievements, and aligned with personal development goals. Linking rewards to career progression will encourage employees to contribute more proactively and remain committed to the organization—particularly in the challenging, high-pressure context of public hospitals.

5.4. Limitations and Directions for Future Research

This study is limited to public hospitals in Can Tho, which may reduce the generalizability of its findings to other regions or hospital types. Additionally, the model does not account for factors such as job stress, job satisfaction, or mental health. Data were collected using a cross-sectional design and self-reported surveys, which are susceptible to subjective perceptions and social desirability bias, limiting the ability to infer causal relationships. Moreover, the study does not capture changes in leadership or motivation factors over time, which is particularly relevant given the dynamic nature of the healthcare sector.

Future studies should expand the scope of the survey to include other regions and compare public, private, and international hospitals to enhance generalizability. Additional variables such as job satisfaction, burnout, or personal adaptability should be incorporated to better understand the factors influencing performance. Longitudinal research and data collection from multiple sources are recommended to improve objectivity. Furthermore, future research could examine the impact of healthcare policy reforms, digital transformation, or test specific management intervention programs aimed at enhancing motivation and work effectiveness in the public healthcare system.