# The Moderating Role of Job Satisfaction between Leadership Development Interventions and Organisational Performance<sup>1</sup>

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## **Abstract**

The need for organisations to improve their performance raises an important question of how to improve it. It is argued that leadership development interventions or "leadership development" could be directed to improved organisational performance. In this context, there is limited evidence on the impact of professional leadership development interventions on organisational performance. Moreover, current literature also does not provide sufficient explanations on the conditions under which a firm can maximise the effect of leadership development interventions on organisational performance. These conditions can be explained by considering the moderating role of individual-level factors such as job satisfaction, which is an

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urgent research area. This study empirically examines the direct influence of leadership development interventions on organisational performance considering the moderating role of job satisfaction in such relationships. A survey-based method was used to collect data from 385 Saudi service firms' employees to help validate the hypothesised relationships. By applying the PLS-SEM, this study found that leadership development interventions (i.e., coaching, mentoring, and performance appraisal) directly influence perceived organisational performance. Further, the relationships between coaching, performance appraisal and perceived performance appraisal are moderated (reinforced) by job satisfaction. While job satisfaction does not moderates the relationship between the mentoring and perceived organisational performance.

#### **Keywords**

Leadership Development Interventions, Coaching, Mentoring, Performance Appraisal, Job Satisfaction.

#### Introduction

Organisational performance refers to the measure of an organisation's progress and development. It reflects an organisation's performance in achieving its goals and objectives (Koohang, Paliszkiewicz, & Goluchowski, 2017; Ribeiro, Nguyen, Duarte, Torres de Oliveira, & Faustino, 2021). Organisational performance is defined as "an analysis of a company's performance as compared to goals and objectives" (Koohang et al., 2017, p. 523). It has also been defined as "the extent of success to which the organisation reaches its aims" (Otoo, Otoo, Abledu, & Bhardwaj, 2019). As such, organisational performance is considered as the number of results achieved by a person, team organisation or process (Chukwu, 2016). Organisational performance in its scope is broader than merely focusing on profitability and returns on investment. Scholars consider organisational performance as a measure of an organisation's growth (Koohang et al., 2017; Ohunakin & Olugbade, 2022). It has been argued that the ultimate goal of organisational performance is strategic change and enhancement of an organisation's long-term survival and growth (Mahmood, Uddin, Ostrovskiy, & Orazalin, 2020). Thus, organisational performance is a crucial element in determining the success of an organisation (Ohunakin & Olugbade, 2022).

The need to improve organisational performance by organisations raises an essential question on ways to improve organisational performance. Some scholars recommended further studies on factors that are expected to affect organisational performance since studies on organisational performance are limited (Ayeleke, North, Dunham, & Wallis, 2019; Cavanaugh et al., 2022; Douglas, Merritt, Roberts, & Watkins, 2022; Otoo et al., 2019). Scholars such as Halliwell, Mitchell, and Boyle (2022), Mahmood et al. (2020), and Sayyadi (2019) claimed that effective leadership affects organisational performance, and that organisational performance is the desired goal of leadership behaviour and actions. Leadership, thus, is ultimately in charge of and the main driver of organisational performance (Nienaber

Volume 15: 1, 2023

& Svensson, 2013). In this context, the concern is on the ways taken by organisations to enhance leadership behaviours and their effectiveness in improving organisational performance. Douglas et al. (2022) claimed that leadership development interventions (LDI) are reliable ways organisations have used to support leaders, a process known as "leadership development", which is considered a means to improve organisational performance.

Some scholars, such as Sayyadi (2019), stated that the role of leadership development interventions on organizational performance should be considered and studied, as they reflect reliable ways that have been used by organizations to support the organizational performance. Scholars also have suggested several factors that affect organizational performance, which include leadership development interventions (Ayeleke et al., 2019; Lee & Lee, 2018; Maamari, El Achi, Yahiaoui, & Nakhle, 2022; Ribeiro et al., 2021), and job satisfaction (Lee, 2018; Ohunakin & Olugbade, 2022; Ribeiro et al., 2021). However, little is known about whether these factors play the same influence in Saudi due to the lack of local studies (Al-Qahtani, 2013; Omira, 2015; Soomro, Shah, & Mangi, 2019).

Furthermore, It has been argued that the impacts of leadership development interventions on organisational performance can be conditioned/moderated by several individual level factors. One of them is job satisfaction (Lee, 2018; Ohunakin & Olugbade, 2022; Ribeiro et al., 2021). Thus, it would also be meaningful to consider job satisfaction when addressing the relationship between leadership and organisational performance (Lee, 2017, 2018). It is argued that job satisfaction can enhance the relationship between leadership development interventions and organisational performance for two reasons: (i) It would help to explain the effect of job satisfaction on the successful implementation of effective leadership development interventions for organisational performance (Ribeiro et al., 2021), (ii) It would provide new insights on leadership theories and the current literature by explaining the conditions under which a firm can maximise the effect of leadership development interventions on organisational performance (Belsito & Reutzel, 2020).

#### Literature Review

Literature has recognised and provided compelling arguments that leadership development interventions and job satisfaction are important determinants for organisational performance in service firms' context. It has been argued that flexible interventions via training and professional development interventions tailored to organisational contexts can improve organisational performance (Ayeleke et al., 2019; Douglas et al., 2022). LDI can play a positive role and increase the likelihood of enhancing the organisational performance (Ayeleke et al., 2019; Cavanaugh et al., 2022; Nguyen, Huynh, Lam, Le, & Nguyen, 2021; Vito, 2018). Thus, studying the determinants of organisational performance would help to shed light on what firms need to improve their performance. However, reviews that provide an overview of leadership theories and effective development interventions are rather few in the literature (Daniëls, Hondeghem, & Dochy, 2019). There is no well-established theory explaining how or why LDI affect organisational performance (Joo, Yu, & Atwater, 2018). Leadership in the current literature was

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Volume 15:1, 2023

often investigated from a narrow perspective of a single theory itself or solely from one point of view; thus, explanations of the leadership intervention theories and how to bring them into practice are still vague due to the absence of a clear definition of the term 'leadership'; therefore, it is important for researches to integrate the many relevant theories to explain leadership in practice (Daniëls et al., 2019; Turner & Baker, 2018). Furthermore, leadership theories need to be modified or updated to make them more applicable in the today's globalized and more complex environment (e.g., competition and technological changes) (Turner & Baker, 2018). This is because leaders must be responsible for implementing solutions not only for organisational performance issues but also other complex social issues (Tanskanen, Makela, & Viitala, 2018; Turner & Baker, 2018). Accordingly, this study integrates the most relevant theories (social learning theory and training transfer theory) to explain leadership in practice and to determine the relationship between LDI and organisational performance.

Social learning theory (SLT) is based on the idea of motivating people to act by non-coercive means (Michael, 1993). Social learning theory seeks to motivate an individual's self-efficacy towards a positive performance. Self-efficacy refers to an individual's belief that he or she can perform well in a specific domain. Thus, a person who has high effectiveness in leadership will do better in this domain. In the context of leadership development, a leader has to develop a sense of having real influence on others. Thus, developing leadership skills is the basis of any interventions of leadership development (Turner & Baker, 2018). On the contrary, leaders who lack skills will hesitate to apply knowledge that they have learned, and hence apply it ineffectively (Michael, 1993). According to the social learning theory, interventions of leadership development will be most valuable to develop young leaders' skills due to the greater potential for forming the behaviours of young leaders and the lesser need to repair negative past experiences (Rachmawati & Lantu, 2014).

Training transfer theory is based on the notion that the success of training /development interventions depends on their use in specific work contexts and the extent of their application in the workplace after the training/development interventions (Muduli & Raval, 2018). Thus, scholars have argued that training and development interventions are of little value to organisations unless they are transferred in some way to performance (Sahoo & Mishra, 2019).

This process, i.e., using the knowledge and skills learned from the training/ development interventions, is called learning transfer or transfer of learning or training transfer or transfer of training (Sahoo & Mishra, 2019; Shen & Tang, 2018; Sitzmann & Weinhardt, 2019). It is argued that when leaders can apply the newly learned skills and knowledge to their work, and this practice becomes consistent over a period of time, it could be considered that the training is transferred to the workplace. Past research has found that training transfer is positively related to performance (Iqbal & Dastgeer, 2007). Thus, the extent to which the leadership skills learned are transferred to the work contexts and the extent of their actual application in improving organisational performance is an indicator of leadership development success (Ni, Rorrer, Pounder, Young, & Korach, 2019; Sahoo & Mishra, 2019).

Volume 15:1, 2023

# **Identification of Leadership Development interventions**

Leadership development interventions indicate "the interventions which take into consideration management and leadership needs, and which are implemented using flexible, multiple training techniques within the context of work environment that are more likely to produce better outcomes" (Ayeleke et al., 2019, p. 19). Leadership development intervention is a powerful developmental intervention [that can change] to change leaders' behaviour (Halliwell et al., 2022). Organisational leadership development is also defined as "planned and systematic efforts to improve the quality of leadership" (Amagoh, 2009, p. 990). LDI include (i) formal training programmes, and (ii) informal training/learning opportunities (Ayeleke et al., 2019; Vito, 2018). Formal training interventions are defined as "planned learning activities to achieve work-related competencies" (Vito, 2018, p. 3) while informal learning/training opportunities are defined as "employee-initiated on-the-job learning activities such as mentoring, coaching, and performance appraisal" (Vito, 2018, p. 3). Formal training interventions emphasize on delivering specific knowledge and skills as the most common interventions; however, informal training/learning interventions may be more valuable and comprise the important part of leadership development (Bureau & Lawhead, 2018; Priest, Kliewer, Hornung, & Youngblood, 2018; Vito, 2018). In order to properly assess how each intervention might be utilised to improve organisational performance, Douglas et al. (2022) claimed that consideration of such three distinct informal developmental interventions are necessary. Thus, this study focuses on informal LDI as a means to leadership development.

Halliwell et al. (2022) found that LDI positively enhanced performance. Le Comte and McClelland (2017) found that leadership behaviours of the majority of participants changed as a result of LDI (i.e., coaching and mentoring). However, there is a lack of specific focus on the role of mentoring and coaching in enhancing leadership development as these have not been fully captured in the literature (Boak & Crabbe, 2019; Bureau & Lawhead, 2018; Ellinger & Ellinger, 2021). Similarly, Kivipõld, Türk, and Kivipõld (2021) argued that an effective performance appraisal system provided an assessment of individual performance and helped individuals create a set of required competencies for the organisation. Ayeleke et al. (2019) based on a mixed-methods systematic review, mentioned that professional development interventions (i.e., coaching, mentoring, and performance appraisal) have been reported to be essential and act as key ingredients in building leadership capability. This conceptualization is consistent with the purpose of this study that informal LDI comprise a set of three distinct interventions which include coaching, mentoring, and performance appraisal that interact collectively to enhance organisational performance. Thus, this study regards LDI as a set of three interventions: coaching, mentoring, and performance appraisal. These three interventions have been proven empirically as reliable, and the current literature also provides reliable measurement scales that have been developed to measure these three interventions. The following subsections present LDI in details.

#### Identification of Job satisfaction

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Volume 15:1, 2023

Scholars note that job satisfaction has become a major concern for many organisations that aim to remain competitive in today's challenging and rapidly changing organisational environment (e.g., Lee, 2018; Wei, 2022). It is argued that employees with a greater level of job satisfaction are more likely to transfer the learned knowledge and skills into their workplace and improve performance compared to the less satisfied trainees (Islam & Ahmed, 2019; Wahyono, Prihandono, & Wijayanto, 2021). Thus, at the organisational level, satisfied employees essentially contribute to the long-term success, while dissatisfied employees provide little help for organisational success (Adriano & Callaghan, 2022; Wahyono et al., 2021). Job satisfaction reflects "people who care about their work or aspects of their work, such as salary, supervision, and co-workers" (Wahyono et al., 2021, p. 172). Job satisfaction is defined as "the degree to which people like (satisfaction) or dislike (dissatisfaction) their jobs" (Wulandari, Mangundjaya, & Utoyo, 2015, p. 105). They also define job satisfaction as "a pleasurable emotional state resulting from the appraisal of one's job as achieving or facilitating one's job values" (Wulandari et al., 2015, p. 105).

Sitzmann and Weinhardt (2019) explained that employees do not weigh their satisfaction with each situation; rather, an assessment of employees' overall satisfaction is like a snapshot view of affect, such that salient and extreme affective moments are weighted to rate an overall work experience. Shen and Tang (2018) found that job satisfaction positively impacted organisational performance. Ren and Chadee (2017) found a positive relationship between leadership and job satisfaction. Similarly, (Wahyono et al., 2021) found a positive and significant correlation between job satisfaction and organisational leadership. Koohang et al. (2017) found that effective leadership influenced job satisfaction and improved organisational performance. Accordingly, scholars argue that the impact of leadership on organisational performance can be moderated by a number of individual level factors such as job satisfaction (Ohunakin & Olugbade, 2022; Ribeiro et al., 2021); thus, they suggest the importance of investigating the moderating effects of individual variables such as job satisfaction on the relationship between leadership and organisational performance (Kammerhoff, Lauenstein, & Schütz, 2019; Lee, 2018; Ribeiro et al., 2021).

# **Hypotheses Development**

#### The effect of leadership development interventions on organisational performance

In their systematic review, Ayeleke et al. (2019) concluded that flexible and informal professional development interventions i.e. mentoring, coaching, and performance appraisal tailored to organisational contexts were essential and acted as the key ingredients in building and improving organisational performance despite the numerous discussions on LDI. Thus far, only a few empirical studies have considered the direct relationship between LDI and organisational performance (Cavanaugh et al., 2022; Lee, Idris, & Tuckey, 2019; Torrence & Connelly, 2019). Scholars have indicated the need for more empirical studies to better understand the relationship between LDI and organisational performance (Cavanaugh et al., 2022; Douglas et al., 2022; Ye, Wang, & Guo, 2019). There is a lack of specific focus on the role of mentoring, coaching, and performance appraisal in

enhancing organisational performance—as this has not been fully captured in the literature (Boak & Crabbe, 2019; Bureau & Lawhead, 2018; Ellinger & Ellinger, 2021; McCarthy & Milner, 2020). As this study seeks to examine the direct relationship between LDI and organisational performance, in the following sections, this study will explain further the direct relationship between leadership development interventions i.e., coaching, mentoring and performance appraisal and organisational performance.

Coaching focuses on a short-term leadership development process such as developing leaders' skill to direct daily objectives/tasks of an organisation (Hastings & Kane, 2018; Tanskanen et al., 2018). Based on the theories underpinning the social learning theory, Traynor (2018) identified three situations to a coaching role in organisational performance. First, if a leader is functioning at an above-average level, then the coaching role is to inspire and motivate leader. Second, if a leader is performing at an average level, then the coaching role is to put new standards towards excellence in organisational performance, and third, if a leader is functioning below the established organisational performance standards, then the coaching takes on the role of a counsellor to correct unsatisfactory performance. The finding of Maamari et al. (2022), showed that creating a supportive organisational behaviour in an organisation can provide outmost benefits of coaching on organisational performance. Halliwell et al. (2022) found that leadership coaching positively enhanced emotional intelligence, leadership effectiveness, and leadership behaviour, which all in turn led to improved organisational performance. Similarly, Ribeiro et al. (2021) found that managers' coaching skills had a positive impact on performance. Ni et al. (2019) found that high-quality interventions such as coaching intervention could provide leadership knowledge and the required skills for leadership developmental opportunities, which would then improve organisational performance. Their result is consistent with other scholars who argue that informal development interventions such as coaching is more valuable and comprise the important part of organisational performance (Bureau & Lawhead, 2018; Priest et al., 2018; Vito, 2018). Based on these arguments, it can be deduced that coaching has a positive relationship with organisational performance. Therefore, this study hypothesizes that:

**H1**: There is a significant positive relationship between coaching and perceived organisational performance.

Mentoring is associated with general, long-term development of a leader (Cavanaugh et al., 2022; Hastings & Kane, 2018). Mentoring intervention is an important intervention for leadership development in achieving organisational performance because it is more likely to be effectively achieved in the work setting than in traditional training classroom settings (Aldulaimi, 2018; Ellinger & Ellinger, 2021). Mentoring creates a chance for leaders to talk about their organisational problems and challenges, and helps leaders form strategies and steps for making progress in organisational performance (Priest et al., 2018). Thus, mentoring could encourage leaders to aspire and assume new organisational improvements (Joo et al., 2018). Some scholars (e.g., Bureau & Lawhead, 2018) stated that mentoring

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Volume 15:1, 2023

plays a critical function in connecting leaders' knowledge, ideas, and experiences to organisational knowledge; thus, mentoring can strongly enhance organisational performance. Mentoring, according to Guthrie and Meriwether (2018), is a feasible tool connected to a variety of favourable organisational performance. A study by Cavanaugh et al. (2022) found that participants in a mentoring relationship reported significantly less burnout and had better performance than employees who did not participate in a mentoring relationship. Furthermore, mentoring was also found to lead to improved job satisfaction and organisational performance. Ellinger and Ellinger (2021) found that organisational performance was one of the most important parts of mentoring. Ayeleke et al. (2019) found that flexible mentoring that was tailored to organisational contexts could improve individual competence and organisational performance. Ni et al. (2019) found that a high-quality intervention such as mentoring could give leadership knowledge and essential skills for leadership developing opportunities; thus, it would increase organisational performance. This finding is in line with the findings of other researchers who also found that mentoring, as an informal development intervention, is more valuable and plays a significant role in organisational performance (Bureau & Lawhead, 2018; Priest et al., 2018; Vito, 2018). Based on these arguments, it can be deduced that mentoring has a positive relationship with organisational performance. Therefore, this study hypothesizes that:

**H2**: There is a significant positive relationship between mentoring and perceived organisational performance.

Performance appraisal allows organisation to identify success in implementing these interventions (Bureau & Lawhead, 2018; Memon & Ghani, 2021). According to the training transfer theory, any improvements in organisational performance after training/development interventions mean that the training context is transferred into work context (Vito, 2018). Therefore, in this context, performance appraisal that measures performance plays an important role in evaluating the efficiency of the LDI. Performance appraisal is an organised and standardized assessment of a leaders' performance on their allocated responsibilities in order to enhance motivation and self-confidence to achieve the organizational objectives (Chughtai, 2018; Kivipõld et al., 2021). Thus, performance appraisal should be guided by the performance management policy, and performance of leaders should be assessed based on quantifiable standards. They should also be given feedback on their performance and be advised on ways to achieve organisational goals (Amin, Wan Ismail, Abdul Rasid, & Selemani, 2014; Belsito & Reutzel, 2020). The study of Memon and Ghani (2021) found that performance appraisal had a strong and positive impact on organisational performance as it helped organisations to identify and improve/solve operational performance problems by bringing potential problems to management's attention and suggesting means to save cost and solve other issues. Another study by Kivipõld et al. (2021) found that organisational performance depended on the design of a performance appraisal system. Belsito and Reutzel (2020) examined the impact of performance appraisal in/on the level of trust in leaders and performance. The results indicated that employees' satisfaction with performance

appraisal enhanced the level of trust they had in their leaders, and thus this increased SMEs performance. A study by Lee et al. (2019) found that performance appraisal of leaders is a pivotal behaviour that helped organisations to create and sustain a competitive advantage, which is the only reliable way to achieve superior organisational performance. Ayeleke et al. (2019), based on systematic review, found that performance appraisal could improve a leader's competence and organisational performance. Based on these arguments, it can be deduced that performance appraisal has a positive relationship with organisational performance. Therefore, this study hypothesizes that:

**H3**: There is a significant positive relationship between performance appraisal and perceived organisational performance.

# Job Satisfaction as a moderator in the relationship between leadership development interventions and organisational performance

Lee and Lee (2018) mentioned that job satisfaction increase commitment, and enhance organisational performance. Ren and Chadee (2017) stated that job satisfaction enhance self-efficacy, lead to strengthen organisational performance. Given that that employees' job satisfaction is linked to leadership behaviour (e.g., Wahyono et al., 2021; Wulandari et al., 2015), Wahyono et al. (2021) mentioned that excellent organisational performance can be attained as the result of job satisfaction at the individual, group, and organisational levels. In this context, according to the training transfer theory, when employees have a greater level of job satisfaction, they are more likely to transfer the learned knowledge and skills from leaders/trainers or supervisors into their workplace compared to the less satisfied employees, and they are more motivated to use their personal development to generate new ideas at work which will then have a positive effect on organisational performance (Islam & Ahmed, 2019). In the same vein, the social learning theory explains that trainees with high level of satisfaction have high motivations to craft satisfactory and productive work experience; thus, they will be more satisfied with leadership's instructions. At the organisational level, satisfied employees contribute essentially to the effectiveness of the organisation and the ultimate long-term performance by comply and commitment to leaders' instructions; on the contrary, dissatisfied employees provide little help for organisational success (Wahyono et al., 2021). Kammerhoff et al. (2019) claimed that employees who have high level of job satisfaction often attempt to enhance and improve their skills and abilities, which eventually strengthen and multiply organisational performance.

In the literature review's micro-view, a number of earlier studies revealed the important relationship between job satisfaction and performance. For example, Kammerhoff et al. (2019) found that leadership was positively connected with job satisfaction and job satisfaction strengthen organisational performance positively. Islam and Ahmed (2019) found that highly satisfied employees have high intention to work with their leaders who coach or mentor them to enhance their skills and knowledge, and they became motivated to share the acquired knowledge to improve performance. Shen and Tang (2018) found that job satisfaction strengthened the effect on organisational performance. Chhabra

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Volume 15:1, 2023

(2018) found that satisfied employees react more favourably towards organisational efforts aimed at demonstrating care and support, thus strengthen organisational performance. Similar results were seen in a study by Adriano and Callaghan (2022) who found that job satisfaction had a positive impact on staff retention and strengthen organisational performance. Based on the findings of these past studies, the employees' job satisfaction can produce a moderating effect in terms of performance.

In the same vein, some studies have confirmed a positive relationship between LDI and job satisfaction. For example, Ren and Chadee (2017) found that LDI was moderated by job satisfaction. Similarly, Wahyono et al. (2021) found a positive, strengthening effect between job satisfaction and leadership. Similarly, Koohang et al. (2017) found that effective LDI influenced both job satisfaction and strengthen organisational performance. The study of Matsuo (2022), found that perceived LDI such as supervisory support were strengthen by job satisfaction. Similarly, Frye, Kang, Huh, and Lee (2020) found that LDI significantly moderated employee job satisfaction, which in turn, strengthen employee commitment and organisational performance. The study of Wei (2022) examined the moderating effect of abusive supervision in the relationship between job satisfaction and turnover intention (willingness to stay), found that job satisfaction had a negative impact on the employees' willingness to stay in their organisations in the presence of abusive supervision. This interconnectedness between job satisfaction and LDI may further enhance or weaken organisational performance

Many studies have also highlighted that job satisfaction can produce fruitful results of organisational performance in various sectors. The arguments above also show that there is a reciprocal relationship among leadership, job satisfaction, and organisational performance. Given that some scholars claimed the dependence of LDI on a number of individual level factors such as job satisfaction to predict organisational performance (Ohunakin & Olugbade, 2022; Ribeiro et al., 2021). This suggests that predictors of LDI, such as coaching, mentoring and performance appraisal, may be strengthened with job satisfaction, resulting in excellent performance at the organisation. Up to now, the moderating effect of job satisfaction on LDI remains unclear (Kammerhoff et al., 2019; Ribeiro et al., 2021). Thus, argument on whether employees who have greater satisfaction, higher motivation, and greater confidence in their ability to succeed would be more likely be effected by LDI efforts towards improving organisational performance remains unanswered (Sitzmann & Weinhardt, 2019). Exploring the moderating effects of job satisfaction on the relationship between LDI and organisational performance would contribute to the leadership theories and the current literature by explaining the conditions under which a firm can maximise the effects of LDI on organisational performance (Ohunakin & Olugbade, 2022; Wahyono et al., 2021). Based on these arguments, it can be deduced that the relationship between leadership development interventions (i.e., coaching, mentoring and performance appraisal) and organisational performance is positively moderated (reinforced) by job satisfaction. Therefore, this study hypothesizes that:

**H4**: Job satisfaction moderate the relationship between LDI (coaching) and perceived organisational performance.

- **H5**: Job satisfaction moderate the relationship between LDI (mentoring) and perceived organisational performance.
- **H6**: Job satisfaction moderate the relationship between LDI (performance appraisal) and perceived organisational performance

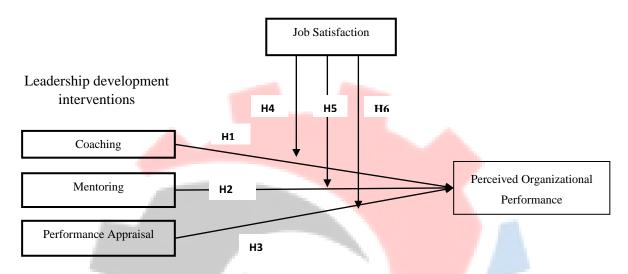


Figure 1. Conceptual Framework

## Methodology

### Data analysis procedures

To gather statistics, survey of Saudi services firms' employees was conducted. Questionnaire was used to collect the data. The data were transformed into the entry template using Statistical Packages for the Social Sciences (SPSS 26.0). Additionally, the structural equation model (SEM), particularly the partial least square (PLS-SEM) utilising the SmartPLS 3.3.3 software, was used to study and evaluate the measurement model, structural model, and suggested hypotheses.

#### Research instrument

Based on supposed relationships between variables in the conceptual framework (Figure 1), a four-section questionnaire was developed for data collection (Appendix A). Section A comprises twenty-six items; eleven items measure coaching, eight measure mentoring; and seven measure performance appraisals. Section C is composed of eight items related to measuring organisational performance, while Section D is composed of seven items that measure job satisfaction. Finally, Section E is on the respondent profile.

The measurement items of this study are adopted or adapted from the existing literature to make them more appropriate to suit the context of this study (Appendix A). The questionnaire items were designed using a closed response approach. Respondents were asked to select a specific option to state their level of agreement or disagreement with/on the statements given. Each statement is Volume 15:1, 2023

anchored on a 5-point Likert scale, where 1 = strongly disagree and 5 = strongly agree (Sekaran, 2003). To encourage respondents to complete the questionnaire items, brief sentences and simple words were used in the questionnaire. A cover letter was also attached to explain the study's objectives and assure the respondents that the information provided would be used only for academic and research purposes.

# **Data Collection, Analysis, and Results**

#### **Survey administration**

According to the General Authority for Statistics (GAS, 2021), the total number of employees in various economic activities in the Kingdom of Saudi Arabia is 8,190,170. According to the figures, 83% work in three regions: the central, Makkah, and Eastern regions. These three regions are considered the largest economically in Saudi Arabia.

A list of services firms from the database of Chambers of Commerce in the three regions was used as a sample frame for services firms in Saudi Arabia. Given that this study is cross-sectional based; and due to time constraints and the difficulty of developing the sample frame required to use sample random sampling method with no formal list of employees in the three regions, probability sampling using multi stages cluster sampling technique was used in this study. Multistage cluster sampling is preferred when a wide area and a large population size make it impossible to develop a sample frame for the subjects. In this type of sampling, the population was divided into smaller groups known as clusters. Multistage cluster sampling helps reduce time and cost. This study assumed that the sample in each region (cluster) shared the characteristics or attributes of the members in the group. The large clusters were further subdivided into subclusters, or groups as follows:

Each region was considered a cluster for sampling selection in the first stage of the study. The services firms listed in the Chambers of Commerce database located in the three regions (i.e., the Central region, the Makkah region, and the Eastern region) were used in this study to develop the sampling frame. According to the database, the total number of employees in the services firms in the three regions is 4,835,030 (Table 3.1). According to the Chambers of Commerce in the Central region, the small and medium services firms are those firms with sales turnover not exceeding SR50 million or full-time employees not exceeding 249 workers. According to this definition, large services firms (called excellent firms in Saudi) are firms with sales turnover exceeding SR50 million or full-time employees exceeding 249 workers. Using sales turnover and the number of employees as the criteria to choose the firms for the survey, the total number of employees in large firms in the three regions is 1,595,560.

The second stage involved selecting one city from the clustered regions. The simple random sampling method was used to choose the city. The sample random sampling was utilised by listing all the cities in all three clustered regions and then randomly selecting one city to represent every region. The city of Riyadh was chosen to represent the Riyadh region; the city of Makkah was selected to represent the Makkah region, and the city of Dammam was chosen to represent the Eastern region.

In the third stage, all types of services firms were listed to select one service type from the list. As shown in Figure 3.2, the services sector in Saudi includes 14 kinds of services. The simple random

sampling technique was used to select one type of service. This selection allowed data to be collected from a more homogenous group than the population as a whole, which in turn, supports the validity of the results (Sekaran & Bougie, 2016). The transportation service was chosen randomly to represent the service sector in the three regions.

In the fourth stage, simple random sampling was used to choose one transportation firm representing each city in each clustered region. Hafil firm was selected to represent the Riyadh region; Sadr firm was chosen to represent the Makkah region, and Munalwalah was firm selected to represent the Eastern region. Table 2. shows the number of employees in the three firms.

Table 2 shows the number of employees in the three firms, which stands at 1095 (Hafil firm = 490, Sadr firm = 321, and Munalwalah firm = 284). Using the Sproull formula to calculate the response rate, the final sample size from each firm is as follows: (Hafil firm = 172, Sadr firm = 113, and Munalwalah firm = 100), and the total was 385 employees.

Region Selected Total Sample Sample firms employees size size for in the firm each cluster Riyadh Hafil 490 172 Region Makkah Sadr 321 113 Region Eastern Munalwalah 284 100 region Total 1095 385 385

Table 2. Sampling for each clustered firm

#### Pilot test

The preliminary questionnaire was piloted with 30 employees from Saudi services firms. A pilot study is an association between the data gathering instrument and a few respondents from the entire population towards the research with a complete scale (Sekaran & Bougie, 2016). The objective is to ensure that the instrument is readable and free of ambiguous questions. It is also used to detect any possible shortcomings in the questionnaire design. Furthermore, the pilot test also helps to test reliability, an assessment of the internal consistency level among multiple items in the construct (Hair, Hult, Ringle, Sarstedt, & Thiele, 2017). The reliability of the instrument indicates that the instrument produces the same output if used repetitively (Sekaran & Bougie, 2016). The Cronbach's Alpha test is the dominant reliability testing method used in the context of social science research (Hair, William, & Barry, 2010). This study used reliability analysis to analyse the respondents' answers. The scales utilised were considered reliable if the Cronbach's coefficient alpha score of each tool exceeds the

Volume 15: 1, 2023

minimum score, i.e. between 0.60 to 0.70, as recommended by Hair (2010). Employees who participated in the pilot test were excluded from the final sample. The results showed that the scales used in the pilot test have an internal consistency with Cronbach's Alpha coefficient values between 0. 890 and 0.948 for all measurement scales. Therefore, all the factors exceed the recommended value of 0.70.

# **Descriptive Analysis**

As explained earlier, the simple random sampling was used to choose one transportation firm to represent each city in each clustered region. Hafil firm was randomly selected to represent Riyadh Region. Sadr firm was randomly selected to represent Mecca Region. Munalwalah firm was randomly selected to represent Eastern region. Table 4.1 Shows the number of employees in the three firms was 1095 (Hafil firm = 490, Sadr firm = 321, and Munalwalah firm = 284). Using the Sproull formula to calculate the response rate, the final sample size from each firm was as follow: (Hafil firm = 172, Sadr firm = 113, and Munalwalah firm = 100), and the total was 385 employees (Table 2).

In terms of age, Table 3, shows that 31.95% of respondents were in the age group between 21-30, 24.41% of respondents were in the age group between 31-40, 22.43% of respondents were in the age group 51 and above, while 21.30% of respondents were in the age group 41 -50. In terms of gender, table 4.4, also shows that 62.86% of the respondents were male and 37.14% were female. Furthermore, Table 3 also shows that 35.32% of the respondents hold high school certificate or below, Diploma (21.04%), Bachelor's degree (24.68%), master's degree (6.49%), PhD (2.08%), and others (10.39%). In term of job status, 86.49% of respondents were full time employees, while 13.51% of respondents were part time employees. In term of job title, Table 3 also shows that 65.97% of respondents were employees, 20% were supervisors, and 14.03% were under the group "others". In terms of work experience in this company, (37.14%) of respondents had experience between 11 - 15 years, (26.75%) of respondents had experience between 6 - 10 years, (15.84%) of respondents had experience less than 5 years, (15.06%) of respondents had experience between 16 - 20 years, while (5.21%) of respondents had experience more than 21 years. Meanwhile, in term of work experience in other companies. Table 3 depicted that (34.81%) of respondents had experience in other companies between 6 - 10 years, (28.05%) of respondents had experience less than 5 years, (16.36 %) of respondents had experience between 16 - 20 years, (16.10 %) of respondents had experience between 11 - 15 years, (4.68 %) of respondents had experience in other companies more than 21 years.

Table 3. Demographic Characteristics (N= 385)

Age (Years)	Frequency (n)	Percent (%)
21-30	123	31.95
31-40	94	24.41
41-50	82	21.30

51 and above	86	22.34
Gender	Frequency (n)	Percent (%)
Male	242	62.86
Female	143	37.14
Education Level	Frequency (n)	Percent (%)
High school certificate	136	35.32
Diploma	81	21.04
Bachelor	95	24.68
Master	25	6.49
PHD	8	2.08
Others	40	10.39
Job Status	Frequency (n)	Percent (%)
Full Time	333	86.49
Part Time	52	13.51
Job Title	Frequency (n)	Percent (%)
Employee	254	65.97
Supervisor	77	20.00
Others	54	14.03
Work experience (In this company)		
Less Than 5 Years	61	15.84
6-10 Years	103	26.75
11-15 Years	143	37.14
16-20 Years	58	15.06
More that 21 Years	20	5.21
Work experience (In other companies)		
Less Than 5 Years	108	28.05
6-10 Years	134	34.81
11-15 Years	62	16.10
16-20 Years	63	16.36
More that 21 Years	18	4.68

it can be noted here that generally the respondents cover both male and female, and cover the age groups between 20-50 and above years, thus give a good indicator about generalizing the research finding to the employees at Saudi services firms. The most of respondents were educated with 88% were hold High school certificate and above. Most of the respondents (86.49%) were full time employees. Furthermore, most of the respondents have long years in work exceeded 5 years at least in their current job (84%) and most of the respondent also have experience in other works exceeded 5 years at least (72%). The intended respondents were thus a good fit for this study. This indicates that

Volume 15:1, 2023

the respondents are qualified since they possess the necessary expertise for this study to be conducted. As per Noman and Basiruddin (2021) recommendations, this increases the validity of the data collected because the responses were within their domain of expertise.

#### **Assessment of The Measurement Model**

The content validity was ensured through the evaluation process by a group of four academics experts in Malaysia and a group of 4 employees at Saudi services firms were used to assess the preliminary whole questionnaire. Additionally, factor loading of the items was used, as advised by Hair, Black, Babin, and Anderson (2006) to confirm that each item could assess a certain construct. Each item's factor loading should either load strongly (greater than 0.07) on the variable it was intended to measure, or it will be eliminated if it loads on other factors higher than the construct it was intended to measure (Hair, Ringle, & Sarstedt, 2011). Table 4 demonstrates that all of the items' loadings were highly loaded and that the factor loading of the items surpassed the advised value of 0.70.

Composite reliability measures how well all assigned items represented its constructs (Gotz, Liehr-Gobbers, & Krafft 2010), composite reliability refers to the extent to which the items consistently represent the same latent construct (Hair et al., 2010). As a result, it offers a more accurate estimate of the variance shared by the corresponding indicators (Hair et al., 2006). According to Table 4, the composite reliability was greater than the threshold value of 0.70 (ranged from 0.891 to 0.954), which was higher than the suggested value of 0.7 (Cronbach, 1951; Hair et al., 2010).

Convergent validity, denotes that the group of items should represent the same underlying variable, which is supported by the fact that they are all one-dimensional (Henseler, Christian, & Rudolf, 2009). The "Average Variance Extracted" (AVE) technique, as suggested by Hair et al. (2006) and Henseler et al. (2009) was used in this study to test convergent validity. The average variance retrieved frequently from the observed items of a variable is referred to as the AVE (Hair, Ringle, & Sarstedt, 2013). The average variance explained (AVE) for each variable in Table 4 was higher than the suggested value of 0.5 (50 percent), indicating that on average, each variable could account for more than half of the variance in its measuring items (Fornell & Larcker, 1981).

Table 4. Internal consistency and convergence validity results

Constructs	Items	F.L	CA	CR	AVE
	Coa1	0.781			
	Coa10	0.829			
Coaching	Coa11	0.832	0.946	0.954	0.651
	Coa2	0.735			
	Coa3	0.771			
	_				

	Coa4	0.826			
	Coa5	0.789			
	Coa6	0.828			
	Coa7	0.825			
	Coa8	0.806			
	Coa9	0.849			
	Job_Sat1	0.731			
	Job_Sat2	0.735			
	Job_Sat3	0.767			
Job Satisfaction	Job_Sat4	0.789	0.883	0.909	0.588
Galloradillori	Job_Sat5	0.762			
	Job_Sat6	0.752			
44	Job_Sat7	0.827	1		
	Men1	0.884			4
10	Men2	0.754			
	Men3	0.798			
Mentoring	Men4	0.731	0.901	0.922	0.628
4	Men5	0.804			
	Men6	0.793			
	Men7	0.772			
	Org_Per1	0.746			
	Org_Per2	0.754			
Organizational	Org_Per3	0.722	0.000	0.004	0.500
Performance	Org_Per4	0.739	0.860	0.891	0.506
	Org_Per5	0.864			
	Org_Per6	0.731			
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Print ISSN: 2211-0984 | Electronic ISSN: 2211-0992

Volume 15:1, 2023

	Org_Per7	0.736			
	Org_Per8	0.794			
	Per_App1	0.758			
	Per_App2	0.761			
	Per_App3	0.805			
Performance Appraisal	Per_App4	0.752	0.906	0.926	0.642
	Per_App5	0.866			
	Per_App6	0.902			
	Per_App7	0.752			

Discriminant validity refers to the extent to which a group of items estimate only one variable/construct and how this variable/construct is distinctly estimated (Byrne, 2016; Hair, 2010). Reflecting how dissimilar one variable or construct actually is from other variables or constructs is discriminant validity (Hair et al., 2013). Additionally, discriminant validity shows that there are no cross-loading difficulties with the assessment items, which further ensures distinctiveness (Henseler, Christian, & Sarstedt, 2015). HateroTrait-Mono Trait (HTMT) has been proposed to test discriminant validity (Hair et al., 2006; Henseler et al., 2015).

Henseler et al. (2015) state that the HTMT values need to be less than 0.90. The top threshold of HTMT values was less than 0.90, as shown in Table 5. As a result, the assessment of discriminant validity also confirms that the measurement model meets the HTMT criteria for acceptance.

Factor loading, Cronbach's Alpha, convergent validity, and discriminant validity, were run to test the measurement model in this study. The findings validated and supported the model. As a result, a measuring model for this study was created with acceptable quality.

Table 5. Heterotrait-Monotrait Ratio (HTMT)

Constructs	Coaching	Job Satisfaction	Mentoring	Organizational Performance	Performance Appraisal
Coaching					
Job Satisfaction	0.435				
Mentoring	0.338	0.424			

Volume 15: 1, 2023

Organizational	0.519	0.853	0.498		
Performance	0.010	0.000	0.400		
Performance Appraisal	0.344	0.442	0.296	0.558	

# **Assessment of The Structural Model**

The structural model's evaluation is the next step in SmartPLS. The routes between the variables are reflected in the structural model (Hair et al., 2010; Sarstedt, Hair, Ringle, Thiele, & Gudergan, 2016). According to Hair et al. (2006), the PLS-SEM algorithm and Bootstrapping were used to test the structural model. Scholars suggested a number of evaluation criteria, including explanation of endogenous latent variables (coefficient of determination R²), predictive relevance Q², significance and relevance of path coefficients (β), effects size (f² and q²) of path coefficients and multicollinearity (inner VIF) (Gotz et al., 2010; Henseler et al., 2009; Sarstedt, Ringle, & Hair, 2017). The next subsections contain the findings of the model fit analysis of the structural model and the path coefficients (hypotheses testing).

R square reflects the variance in the endogenous variable/construct(s) that is explained by the exogenous variable/construct(s) (Henseler et al., 2009). According to Cohen (1988), three criterions are used to evaluate R<sup>2</sup> value for each endogenous variable, substantial level (0.26 and above), moderate level (from 0.13 to 0.25), and weak level (from 0.02 to 0.12). Table 6 shows the R<sup>2</sup> values for endogenous variables. The R<sup>2</sup> values for organisational performance is 0.677. The R<sup>2</sup> values for the endogenous variable was above 25%, which are at the substantial level, thus, demonstrates a high prediction level as recommended by Cohen (1988).

Table 6. R-square result

Endogenous Variables	R Square	R Square Adjusted
Organizational Performance	0.677	0.670

Substantial > 0.25; Moderate > 0.12, Weak > 0.02 (Cohen & Manion 1989)

The change in  $R^2$  value when a particular predictor construct is removed from the model is measured using effect size (Sarstedt et al., 2017). Table 7 shows that coaching, mentoring and performance appraisal have small effect on organisational performance ( $f^2 = 0.046$ , 0.041, 0.039, and 0.044) respectively.

Volume 15:1, 2023

Table 7 F-square result

Exogenous Variables	Organizational Performance
Coaching	0.046
Mentoring	0.039
Performance Appraisal	0.044

Large: f2 effect size > 0.34; Medium effect > 0.14; Small: 0.0 > 0.01 (Cohen, 1988)

The structural model's predictive accuracy has been evaluated using predictive relevance ( $Q^2$  value) (Sarstedt et al., 2017). As a general rule, the model is predictively relevant if the  $Q^2$  value for a certain endogenous variable is greater than zero, indicating that the route model's predictive accuracy is suitable for this particular construct (Sarstedt et al., 2017). Table 8. demonstrates that the structural model used in this study has strong predictive significance because all of the endogenous variables have  $Q^2$  values greater than zero.

Table 8. Result of predictive relevance

Endogenous Variables	CCR Q² (=1-SSE/SSO)	CCC Q² (=1-SSE/SSO)
Organizational Performance	0.333	0.366

CCC=Construct Cross-validated Communality, CCR=Construct Cross-validated Redundancy

Hair et al. (2010) strongly advise testing for multicollinearity before moving further with model testing. Where more than two independent variables are highly correlated, it is a multicollinearity problem, while collinearity problem happen when just two independent variables are highly correlated (Henseler et al., 2015). As a general guideline, the VIF value should not be higher than 5. Table 9 demonstrates that the independent constructs in the model did not exhibit multicollinearity, with the greatest VIF value of 1.592 and the lowest VIF value of 1.151.

Table 9. Collinearity Statistics of Variables - Inner VIF values

Exogenous Variables	Organizational Performance
Coaching	1.397
Job Satisfaction	1.592

Print ISSN: 2211-0984 | Electronic ISSN: 2211-0992

Volume 15:1, 2023

Mentoring 1.242

Performance Appraisal 1.412

Table 10. Path coefficient result (Direct effect)

Hypotheses	Beta/OS	SM	SD	Т	Р	Decision
Coaching -> Organizational Performance	0.143	0.149	0.036	3.943	0.000**	Significant
Mentoring -> Organizational Performance	0.125	0.125	0.037	3.323	0.001**	Significant
Performance Appraisal -> Organizational Performance	0.142	0.145	0.042	3.405	0.001**	Significant

Significant: \*\*p < 0.01, \*p < 0.05

Table 10 shows the path coefficient assessment results for the proposed direct relationships in the structural model. Table 4.18 shows that all direct relationships were significant. All the three supported hypotheses were significant at level p< 0.01 (exceed the standardised value 2.58), in positive sign directions. The path coefficient value ( $\beta$ ) for the three hypotheses were between 0.125 to 0.143. The highest significant path (p=0.000) was found between coaching and organisational performance ( $\beta$ =0.143 or 14% and t= 3.943). The second highest significant path (p=0.001) was found between performance appraisal and organisational performance ( $\beta$ =0.142 or 14% and t= 3.405). The least significant relationship (p=0.001) was found between mentoring and organisational performance ( $\beta$ =0.125 or 13% and t=3.323).

Table 11 shows that two out of the three moderating relationships were supported. The moderating relationship coaching\*job satisfaction -> organizational performance was statistically significant as the t-value was 2.121 which is higher than the standardised value 1.96, the p<0.034 which is less than 0.05, and the corresponding regression weight was  $\beta$ =0.087. Accordingly, the moderation effect for job satisfaction between coaching and organisational performance is significant, and the hypothesis H7 was supported. Table 11 also shows that the moderating relationship performance appraisal\*job satisfaction -> organizational performance was statistically significant as the t-value was 2.057 which is higher than the standardised value 1.96, the p<0.040 which is less than 0.05, and the corresponding regression weight was  $\beta$ =0.086. Accordingly, the moderation effect for job satisfaction between performance appraisal and organisational performance is significant, and the hypothesis H9 was supported. Meanwhile, Table 11 shows that the moderating relationship mentoring\*job satisfaction -> organizational performance was statistically insignificant as the t-value was 0.041 which is less than the standardised value 1.96, the p<0.967 which is higher than 0.05, and the corresponding regression weight was  $\beta$ =-0.002. Accordingly, the moderation effect for job satisfaction between mentoring and organisational performance is insignificant, and the hypothesis H8 was not supported.

Print ISSN: 2211-0984 | Electronic ISSN: 2211-0992

Volume 15:1, 2023

Table 11. Path coefficient result (Moderating effect)

Hypotheses	Beta/OS	SM	SD	Т	Р	Decision
C*JS -> Organizational Performance	0.087	0.086	0.041	2.121	0.034*	Significant
M*JS -> Organizational Performance	-0.002	0.006	0.052	0.041	0.967	Not Significant
PA*JS -> Organizational Performance	0.086	0.079	0.042	2.057	0.040*	Significant

Significant: \*\*p < 0.01, \*p < 0.05

Figure 2 shows the graphical effect of the job satisfaction on coaching and organisational performance. Figure 4.4 shows that coaching has a more significant impact on organisational performance when job satisfaction is high. Thus, in case of high job satisfaction, the significance of the direct relationship between coaching and organisational performance would be greater.

Figure 3 shows the graphical effect of the job satisfaction on performance appraisal and organisational performance. Figure 4.5 shows that performance appraisal has a more significant impact on organisational performance when job satisfaction is high. Thus, in case of high job satisfaction, the significance of the direct relationship between performance appraisal and organisational performance would be greater.

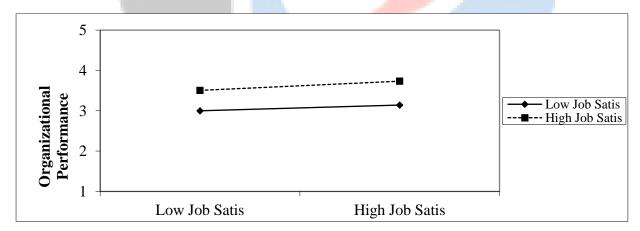


Figure 2. Regression Coefficients of Moderating Hypothesis (Interaction of job satisfaction in between coaching and organizational performance)

Low Job Satis

Low Job Satis

High Job Satis

High Job Satis

Figure 3. Regression Coefficients of Moderating Hypothesis (Interaction of job satisfaction in between performance appraisal and organizational performance)

#### **Discussion**

This study argues that coaching is positively associated with perceived organisational performance. The results from an empirical data analysis showed that there is a significant and positive association between coaching and perceived organisational performance. Thus, hypothesis H1 is supported. Basically, the results are consistent with the social learning theory that argues that coaching is an important source of feedback and a basic principle for developing leaders which in turn impacts on organisational performance (Vito, 2018). This result is in line with Maamari et al. (2022) who found that coaching can provide a significant effect on organisational performance by creating a supportive organisational behaviour for leadership development. Their findings parallel those of Halliwell et al. (2022) whose study findings showed a position association between leadership coaching and an enhanced organisational performance. The results also support the findings of Ribeiro et al. (2021) who found that coaching impacts positively an individual's performance and commitment, and this is endorsed by past empirical studies such as Ni et al. (2019) who further suggested that coaching intervention could provide leadership knowledge and the required skills for leadership developmental opportunities, which in turn improves organisational performance.

The data analysis showed a significant and positive association between mentoring and perceived organisational performance. Thus, hypothesis H2 was supported. This finding is consistent with social learning theory, arguing that leadership mentoring interventions could encourage leaders to aspire and assume new organisational improvements (Joo et al., 2018). This result is consistent with expectations of training transfer theory, arguing that mentoring plays a critical function in transferring leaders' knowledge, ideas, and experiences to organisational knowledge; thus, mentoring can strongly enhance organisational development (Bureau & Lawhead, 2018). This finding is parallel with that of (Cavanaugh et al., 2022). who found that mentoring led to improved job satisfaction and organisational performance. Ellinger and Ellinger (2021) and Ayeleke et al. (2019) also found that mentoring could improve individual

Print ISSN: 2211-0984 | Electronic ISSN: 2211-0992

Volume 15:1, 2023

competence and organisational performance. Vito (2018) found that mentoring, as an informal leadership development intervention, is more valuable in achieving positive organisational outcomes.

The data analysis showed that there is a significant and positive association between performance appraisal and perceived organisational performance. Thus, hypothesis H3 was supported. This finding is consistent with social learning theory which indicates that performance appraisal can help identify the gap between the required knowledge, skills, and expected performance; this in turn can be used to design new interventions for leadership development that boosts organisational performance (Bureau & Lawhead, 2018). This is also supported by the theory of training transfer which states that a systematic performance appraisal could provide evidence of organisational performance improvement (transfer of training) to assess the efficiency of leadership development experience towards the expected organisational outcomes (Kivipõld et al., 2021). This is supported by Amin et al. (2014) who found a significant relationship between performance appraisal and organisational performance. Memon and Ghani (2021) found that performance appraisal as a human resource intervention has a strong and positive impact on organisational performance as it helped organisations to identify potential problems and bring them to the attention of the management. This measure saves cost and solves other issues.

The results showed that job satisfaction moderated the relationship between coaching and perceived organisational performance, and the relationship between performance appraisal and perceived organisational performance. However, job satisfaction does not moderate he relationship between mentoring and perceived organisational performance. Thus, hypotheses H7 and H9 were supported at level of 0.05 of significance, while H8 was not supported. The moderating role of job satisfaction in the relationship between coaching and perceived organisational performance, and the relationship between performance appraisal and perceived organisational performance have not been reported in the literature prior to this study. The results are thus a novel contribution to the body of knowledge on this topic.

# Implications for Theory and Practice

The findings confirmed a positive relationship between coaching, mentoring, performance appraisal, job satisfaction, and perceived organisational performance as described in the research framework. Hence, the study contributed to the body of knowledge on the importance of coaching, mentoring, performance appraisal, job satisfaction as predictors of perceived organisational performance. Additionally, empirical evidences are provided to support the training transfer theory, namely that transfer of development interventions has a horizontal link with organisational performance. It was concluded that leadership development interventions can improve performance, but it is not a primary organisational outcome; thus, development interventions should be translated to organisational performance, and not to only emphasise learning. The results of this study also suggest that coaching, mentoring, performance appraisal are motivational mechanisms in boosting perceived organisational performance. In other words, coaching, mentoring, and performance appraisal are correlated with perceived organisational performance. This study also contributes to existing literature that on the

relationship between coaching (e.g., Halliwell et al., 2022; Lee & Lee, 2018; Maamari et al., 2022; Ribeiro et al., 2021), mentoring (e.g., Cavanaugh et al., 2022; Lee & Lee, 2018), performance appraisal (e.g., Belsito & Reutzel, 2020; Memon & Ghani, 2021), and perceived organisational performance. Further, the study filled the existing research gap on the relationship between leadership development interventions (i.e., coaching, mentoring, performance appraisal) and perceived organisational performance (e.g., Ayeleke et al., 2019; Cavanaugh et al., 2022; Douglas et al., 2022).

Empirical evidence was also produced to indicate the moderating role of job satisfaction in the relationship between coaching, mentoring, performance appraisal and perceived organisational performance. The extent of the impact of job satisfaction on leadership development interventions and performance remained unclear before this study was conducted (Kammerhoff et al., 2019; Ribeiro et al., 2021). Hence, the current research filled the research gap on the role of job satisfaction as a moderator between coaching, mentoring, performance appraisal and perceived organisational performance. This study confirmed that job satisfaction can maximise the effect of leadership development interventions on organisational performance. Future research can examine the role of job satisfaction on other aspects of organisational performance.

The findings have significant practical implications for the managers of the sample study. Specifically, they provide a deeper understanding of how leadership development interventions i.e., coaching, mentoring and performance appraisal, could enhance the overall organisation performance of service firms. Further, coaching, mentoring and performance appraisal are found to be predictors of perceived organisational performance. It may be possible to help HR managers in the Saudi service firms and other interested parties formulate appropriate strategies and design effective interventions to ensure performance improvement by leveraging their leaders as human capital. This could help them develop proper training and development strategies to create effective development interventions to enhance organisational performance. Moreover, guide Saudi HR managers to design effective strategies that include sustainable leadership development solutions, and help managers increase the quality of HR programmes by focusing on supporting individuals' satisfaction and their behaviour. The study in effect offered managerial insights, such as coaching, mentoring and performance appraisal, to enhance leadership and organisational performance. Hence, service firms could focus simultaneously on the three interventions of leadership development discussed in the study to benefit from their accumulated impact on organisational performance.

The findings also suggest that managers must focus on increasing their employee's job satisfaction and this can be achieved by maximising the effect of leadership development interventions on perceived organisational performance. Specifically, the HR managers can use this method as part of their HR strategy; for instance, the HR managers should encourage employees to express their feeling and attitude toward work and provide the correct channel to solve employees' issues at the workplace. Hence, employees will be intrinsically motivated to follow their leader and apply the newly learned skills and knowledge from their leaders. Further, employees with high level of job satisfaction are more satisfied with leadership instructions and have greater motivation to use their personal development to

Volume 15: 1, 2023

generate new ideas at work. This will essentially contribute to the effectiveness of the organisation by delivering their best performance.

# **Limitations and Suggestions for Future Research**

A survey questionnaire method was used to collect data and which assessed how strongly the respondents agreed or disagreed with the statements. This approach has a number of limitations, particularly in terms of its accuracy as the respondents may have wanted to project a good image towards their leaders/supervisors' performance, rather than reflecting their true feelings or their perceptions of the quality of the leadership. Further, the respondents' feedback is limited by the provided scale and their answers restricted by the questionnaire. Thus, the leader's perspective should be considered in future research. Leaders may have their own views and opinions on the impact of coaching, mentoring and performance appraisal on organisational performance.

The study was based on cross-sectional design in which all variables were measured at one point in time. This type of design, however, does not factor the long-term observation of the impact of leadership development interventions on organisational performance. A longitudinal study would be a good way to assess the cause-effect relationship among the variables. This makes it possible to observe the organisational performance of firms over time and provides a clearer picture of how the factors relate to one another.

The study used a subjective measure to evaluate the organisational performance of service firms, and this may not accurately reflect their performance. As a result, this study may have experienced response bias, which will ultimately impact the findings. It's possible that respondents may have not paid close attention to or completely understand each statement. Valid results on organisational performance may be obtained using objective measurements of performance.

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Volume 15:1, 2023

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Volume 15: 1, 2023

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#### **Measurement Items**

# Coaching

My immediate superior help our work group to focus on areas in which need more training.

My immediate superior suggests ways to improve our work group's performance.

My immediate superior encourages our work group members to solve problems together.

My immediate superior encourages our work group members to exchange information with one another.

My immediate superior provide help to our work group members.

My immediate superior teaches our work group members on how to solve problems on their own.

My immediate superior pay attention to our work group's efforts.

My immediate superior informed our work group when they performed well.

My immediate superior support our work group's efforts.

My immediate superior help our work group to focus on our goals.

My immediate superior help developed good relations among our work group members.

#### Mentoring

I consider my immediate superior as a role model for leadership.

My immediate superior teaches important skills.

My immediate superior inspires others to lead like what he does.

My immediate superior help developed employee into a successful and effective leader.

My immediate superior fills in various supporting roles within the realm of mentoring such as career functions and/or psychosocial functions.

My immediate superior respect rules because it guides him.

My immediate superior carefully plan his subordinates distant goals.

# Performance appraisal

The performance appraisal of my immediate superior is evaluated based on feedback and counselling Our firm has an effective performance appraisal system

Appraisal system has a strong influence on my immediate superior behaviour and team behaviour

Our firm has a written operational performance appraisal system

Our appraisal system is based on growth and development

Performance evaluation is considered an important intervention by my immediate superior.

The performance appraisal of my immediate superior is measured on the basis of objective and quantifiable results.

# **Perceived Organizational Performance**

Compared to our main competitors, our firm has better cash flow

Compared to our main competitors, our firm has better return on investment

Compared to our main competitors, our firm has better market share

Compared to our main competitors, our firm is concerned about employee satisfaction

Compared to our main competitors, our firm is concerned about customer satisfaction

Compared to our main competitors, our firm is concerned about service quality

Compared to our main competitors, our firm has strong marketing and branding capabilities

Compared to our main competitors, our firm invest a lot funds in research and development

#### Job Satisfaction

All in all, I am satisfied with my job

In general, I like my job

In general, I like working here

I am happy with the opportunity to get a job in this firm.

I get a personal feeling of satisfaction from doing my job well

What happens in my workplace is really important to me

I am happy to recommend job to my friends or family.