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Empowering Minds in the Hospitality Sector: The Moderation-Mediation Role of Psychological Empowerment in Fostering Transformational Leadership and Psychological Well-being

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Abstract

Due to the absence of transformational leadership and effective management practices, the working conditions in the hospitality sector can be challenging, impacting job satisfaction, quality of life, and psychological well-being of hospital workers. Few writers have examined the elements that influence psychological well-being, like transformational leadership. This study examines the direct impact of psychological empowerment and transformational leadership on employees' psychological well-being in the Saudi hotel industry, using self-determination theory as a foundation. The research also examines the dual role of psychological empowerment as a mediator and moderator in the relationship between transformational Leadership and psychological well-being. A purposive sample of 476 frontline employees in five-star hotels located in the Eastern Region of Saudi Arabia was surveyed via an online survey. The partial least squares structural equation modeling (PLS-SEM) was used to test the proposed model. The findings indicate a large positive effect of transformational Leadership on psychological empowerment and psychological well-being. Additionally, there exists a key mediating role of psychological empowerment for the transformational Leadership – psychological well-being relationship, and there is an important moderating impact. This study's findings have significant implications for hotel management in terms of promoting psychological empowerment to enhance workers' well-being and enhance organizational effectiveness and service standards in the hospitality industry.

Keywords: Transformational Leadership, Psychological Empowerment, Psychological Well-being, Hospitality Sector.

Introduction

Numerous issues facing the Middle Eastern hotel sector in general and Saudi Arabia in particular have resulted in rising expectations for turnover (Baquero, 2023b). Staff burnout and rising intentions to leave are problems facing the Middle Eastern hotel business. People working in the hospitality and service industries lost their jobs as a result of the tourism recession that hit Middle Eastern hotels during the COVID-19 pandemic (Baquero, 2023b). Nowadays, a lot of hotel sector workers deal with problems relating to their working conditions, which have affected their psychological well-being (PWB), quality of life, and job satisfaction (Ross, 2017). For instance, many developments have occurred in the hotel sector over the years, including the COVID-19 pandemic that exposed workers to burnout (Baquero, 2023b). Psychological well-being includes six different aspects of wellness: confidence in oneself, positive relationships with others, freedom, ecological mastery, a sense of direction and significance in life, as well as personal development and progress. (Ryff & Keyes, 1995; Ryff & Singer, 2008). According to earlier studies, psychological well-being significantly lowers the chance of long-term illnesses and

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increases durability, making it a critical component for senior individuals (Boccardi & Boccardi, 2019). According to earlier research, managers can improve their PWB and lessen detrimental psychological effects by cultivating and promoting TLS behavior (Abolnasser et al., 2023). Recent study showed that psychological well-being was supported by beneficence, a sense of autonomy, a sense of relatedness to others and the environment, and emotions of competence or mastery (Kondja et al., 2024). According to the philosophical viewpoint, psychological well-being is defined as the realization of one's actual capabilities. This contrasts with the perspective of individual happiness (Ryff, 1995).

This concept has been studied in different ways. For example, in education, the graduates' psychological well-being, which is seen as the outcome of an enjoyable life, plays a significant role in their ability to adjust to their higher education life. Because of this, this construct typically encompasses elements like confidence in oneself, wholesome relationships, independence, ecological excellence, personal development, and the meaning of life (Díaz et al., 2006).

The scholarly split of wellness into subjective and psychological well-being is where the idea of psychological well-being originates. The term "subjective wellness" describes how someone feels about their present standard of living based on a few independent standards (Diener et al., 1999).

This study is important and can contribute to the present literature in a number of ways. Few academics have studied the psychological well-being of hotel employees, particularly in the Saudi market. Previous research has further examined psychological well-being in terms of several variables, including loyalty, anxiety, work enjoyment, and overall quality of lifestyle (Wang et al., 2022). The findings showed that both employees working in the tourist sector overall and those involved in hospitality-related activities had low subjective well-being and were worried and dissatisfied. Age and work knowledge have an effect on anxiety and depression among those who work in tourism and hospitality (Chauhan et al., 2024).

This research was developed based on the self-determination theory (SDT) (Standage & Ryan, 2020), which is defined as the capacity to assume responsibility for one's own actions. The SDT includes the basic psychological demands of connection, expertise, and autonomy (Deci & Ryan, 2012; Ryan & Deci, 2017). SDT encompasses the fundamental psychological needs of connection, skills, and autonomy. The theoretical contribution of this research lies in its extension of SDT by empirically examining transformational leadership's direct and indirect effects on psychological well-being through the mediating and moderating roles of psychological empowerment. Practically, the findings offer actionable insights for Saudi Arabian hospitality organizations seeking to cultivate healthier work environments and bolster employee retention, especially amidst sectoral reforms driven by Vision 2030. Specifically, by elucidating the psychological mechanisms underpinning well-being, the study provides a strategic foundation for leadership development, workforce empowerment initiatives, and mental health interventions in the Saudi hospitality industry.

Therefore, the primary question of this study is whether psychological empowerment (PEMB) and transformational leadership (TFL) directly affect the psychological well-being of workers in the hospitality sector. According to the above introduction, the objectives of this study are to: (1) determine the relationship between Transformational Leadership (TFL) and psychological well-being (PWB) in the hospitality sector; (2) determine the relationship between Transformational Leadership (TFL) and Psychological Empowerment (PEMB) in the hospitality sector; (3) determine the relationship between Psychological empowerment and employees'

psychological well-being in the hospitality sector; and (4) explore the moderation-mediation effects of Psychological Empowerment in this relationship.

The direct effects of psychological empowerment (PEMB) and transformational leadership (TFL) on workers' psychological well-being in the hospitality sector have not been thoroughly studied. This research aims to investigate the direct impact of transformational leadership (TFL) and Psychological Empowerment (PEMB) on employees' Psychological Well-being in the hospitality industry. In addition, the study aims to understand how transformational leadership affects Psychological Empowerment. In an effort to add value to the body of literature already in existence, this study looks into the moderating and mediating role of psychological empowerment in the relationship between transformational leadership and psychological well-being.

Literature Review & Development of Hypotheses

Transformational Leadership's (TFL) effect on psychological well-being (PWB)

The theory of transformational leadership is widely used in the current and past literature. One of the most useful management techniques is leadership style, especially in the context of the hospitality and tourism sector (Abolnasser et al., 2023). A transformational leader gives followers a special chance to develop via skill and collaboration in fostering creative behaviors (Sanders & Shipton, 2012). Effective leaders are used to inspire their followers to fulfill their duties, solve business issues in a creative and original way, and make decisions that are advantageous to the group and the organization as a whole (Bass, 1999; Hilton et al., 2023). The negative consequences of bad leadership, like elevated levels of stress and distress among employees, have consistently been the focus of research on the relationship between leadership and psychological well-being (Arnold, 2017; Kelloway et al., 2012). Workers who gave their immediate managers high marks for transformational leadership also expressed greater levels of psychological capital, organizational climate, and worker well-being. This implies that certain elements of the workplace are positively impacted by transformational leadership (Erkutlu, 2008).

Different studies found that Transformational leadership significantly enhances psychological well-being in employees by inspiring them and building relationships. Different leadership ideologies have varying effects on workplace well-being. For instance, transformational leadership engages and motivates staff, authentic leadership fosters genuine support, and servant leadership concentrates on empowering followers—all of which increase employee retention and reduce turnover. (Baquero, 2023a; He & Guo, 2025). Transformational leadership was found to have a significant impact on employees' likelihood of fitting into a more positive profile, indicating that higher levels of transformational leadership are linked to better outcomes for workers' mental and physical well-being (Cortés-Denia et al., 2024). The study found that Healthy well-being indicators are favorably predicted by transformational leadership, while poor well-being indicators are adversely predicted (Arnold, 2017). Thus, we posit that:

H1: The psychological well-being of employees in the hospitality sector is directly impacted by transformational leadership.

Transformational Leadership and Psychological Empowerment in the Hospitality Sector

Particularly when it comes to the hotel industry, the leadership method is thought to be one of the most effective management techniques. When used effectively, it can improve the quality of

services provided, create a more productive workplace, and deepen the relationship between managers and employees (Kara et al., 2013). In scholarly studies on the hospitality industry, TFL is regarded as the most widely utilized leadership style (Huertas-Valdivia et al., 2022). TFL entails influencing followers' ideas of what matters and motivating them to view their surroundings, themselves, and the possibilities and difficulties they present in a new way (Bass et al., 2003).

The contact with coworkers is the source of people's cognitively perceived empowerment, which in turn leads to the development of a personal drive to act professionally and with goal orientation (Orgambidez-Ramos & Borrego-Alés, 2014). The understanding that good things happen in one's life is the first step in the psychological empowerment process, which subjectively alters how employees view themselves as actively participating in work-related tasks and giving it their all (Huey Yiing & Zaman Bin Ahmad, 2009). Four processes serve as the foundation for the development of psychological empowerment: effect, competency, significance, and self-determination.

Studies found that appropriate leadership behaviors, such as equitable pay, workplace safety and health, social integration, and the social relevance of work-life balance, have a positive, statistically significant, and positive impact on psychological empowerment. (Permarupan et al., 2020).

Transformational leaders create an atmosphere that is conducive to psychological empowerment by inspiring and motivating their workforce. Increased autonomy, self-efficacy, and a sense of purpose in one's job are hallmarks of this empowerment, and they are essential for improving worker engagement and performance. Previous studies found that psychological empowerment is greatly influenced by transformational leadership. It makes the argument that transformational leaders encourage and inspire their followers, giving them a sense of independence, skill, and purpose in their job. Thus, Employee behavior is positively impacted by transformational leadership (Al-Swidi et al., 2012; Hayati et al., 2014). In addition, previous findings support the notion that managers' innovative work is favorably correlated with transformational leadership (Juyumaya & Torres, 2022).

Other studies found that both transformational leadership and intrinsic motivation had a favorable effect on employees' creative job behavior, indicating that in the context of the COVID-19 pandemic, successful leadership and personal drive are crucial for fostering workplace innovation (Sayuti & Safitri, 2024). Recent results of the study show that transformational leadership significantly affects employee psychological well-being, structural empowerment, and job engagement. This implies that strong leadership can raise workers' dedication to their jobs and level of involvement (Prastyani et al., 2024). Depending upon these discussions, we hypothesized that:

H2: The psychological empowerment of staff members in the hospitality sector is impacted by transformational leadership.

Psychological Empowerment and Psychological Well-being in the Hospitality Sector

The urge to be independent, capable, in charge of one's own behavior, and able to affect the circumstances and surroundings is motivated by self-determination (Deci & Ryan, 2000). In a variety of fields, including psychology, education, and organizational behavior, self-determination theory, or SDT, has become a fundamental component of our understanding of human motivation, behavior, and well-being. For organizations, employee well-being is a

significant and contemporary issue (Marin-Garcia & Bonavia, 2021). Without question, models of how working conditions affect health have focused the most on the consequences of empowerment, which is commonly defined as the process of acquiring authority at work. However, empowering is a more comprehensive idea, and feeling in control at work is just one facet of it (Spreitzer, 1995).

While psychological well-being includes elements of emotional wellness and life pleasure, psychological empowerment refers to a person's sense of freedom and authority in both personal and professional circumstances (Zulfiqar et al., 2024). Previous findings show that psychological empowerment, which in turn was favorably correlated with social well-being, fulfillment with employment, and work involvement, was positively correlated with societal empowerment (Marin-Garcia & Bonavia, 2021).

While psychological well-being also has a substantial impact on employment outcomes, psychological empowerment greatly improves job satisfaction by encouraging productivity among workers. Furthermore, the indirect association between job performance and perceived organizational support (POS) is mediated by psychological empowerment. (Putra et al., 2024). Individual well-being is greatly impacted by psychological empowerment, especially for educators. According to the study, teachers and other psychologically empowered workers are more creative and proactive, which improves their general well-being (Bhattacharya & Narad, 2024). Therefore, the following hypothesis was postulated:

H3: Psychological empowerment has an effect on employees' psychological well-being in the hospitality sector.

The Moderation-Mediation Effects of Psychological Empowerment

In order to moderate and mediate different organizational dynamics and impact outcomes like job satisfaction, organizational citizenship behavior, and long-term employability, the idea of psychological empowerment is essential. The relationship between job crafting and organizational citizenship behavior is mediated by psychological empowerment, which implies that empowered workers are more inclined to take actions that advance the organization beyond their official job duties (Almohtaseb et al., 2023). Studies highlighted the function of psychological empowerment in improving workers' long-term career sustainability by mediating the relationship between job satisfaction and stable employability (Cahyani & Ekowati, 2024).

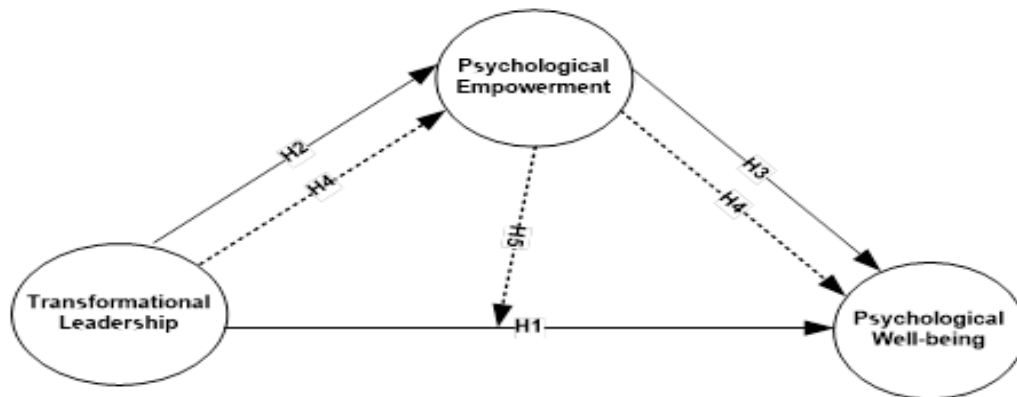
Psychological Empowerment is expected to play a moderate and mediation role in the relationships between TFL and PWB. No studies were found to explore this role. Previous findings indicate that the impact of psychological safety and learning orientation on team performance increases with psychological empowerment (Jha, 2019). According to other research, empowered leadership has a negative impact on workers' physical and mental health, which lowers their level of well-being. Conversely, employee optimism and resilience lower stress levels and raise their intrinsic drive (Chughtai & Rizvi, 2020).

Current research has also shown that the association between creative work practices and organizational financial performance is significantly mediated by psychological empowerment. This indicates that when workers experience psychological empowerment, the beneficial impact of creative work practices on financial performance is amplified (Muneer et al., 2024). Based upon these discussions it would be proposed that:

H4: In the interaction between TFL and PWB, PEMB plays a mediating role.

H5: In the interaction between transformational leadership and psychological well-being, psychological empowerment plays a moderating role.

Figure 1: Research Conceptual Framework



Methods

In the context of the Saudi hotel sector, this study investigates the moderating-mediating function of psychological empowerment (PEMP) in the association that exists between transformational leadership (TFL) as well as psychological well-being (PWB). The Saudi Arabian Vision 2030 framework contributes to strengthening these dynamics because it makes tourism and hospitality central to economic diversification beyond oil reliance (Saudi Vision 2030, 2016). The strategic industry shift has generated significant public along with private investment in hospitality facilities and workforce development and service creation thus creating excellent conditions for leadership research and employee psychological studies. The Saudi Arabian hospitality sector deals with unique cultural obstacles alongside institutional challenges because of its hierarchical organizational design and changing gender relationships and heavy dependence on foreign workers. The current research developed a theoretical framework by analyzing previous empirical research. The online survey data helps in the validity testing of the model. To achieve the research aim, there is a need to generate a comprehensive survey based on statistical methods of probable least square structural equation analysis (PLS-SEM) and originating as a concept with bias (CMB). The research methodology for the following sections is provided here in a somewhat brief outline.

Sampling and Data Collection

In this study, a purposive sampling approach was utilized to recruit entry level frontline five-star hotel employees in Saudi Arabia's Eastern Region. Hotels' front-line employees are integral and play a key role as the first line of contact between hotels and service providers and guests in shaping the guest experience and contributing towards hotels service quality, satisfaction as well the reputation of the hotels (Lan et al., 2025; Zhang et al., 2025). Frontline workers have very emotionally demanding jobs and increasing pressure in Saudi Arabia's evolving, Vision 2030, hospitality sector makes them especially vulnerable to stress and burnout. They therefore represent a crucial group to investigate ways in which leadership and psychological

empowerment can advance motivation, resilience and overall healthy breadth within a fast-changing industry context.

The online survey was conducted cross-sectionally from January to March 2025. Hair et al.(Joseph F Hair Jr et al., 1995) methodological guidelines were followed in designing and administering the survey. A pilot review was conducted to check the survey instrument for accuracy and clarity before dissemination of the survey link through emails. Participants of the study were briefed about the objectives of the study and confidentiality measures and were invited to participate in the study. The survey link, also available in Arabic and English, was also circulated through various social media platforms to connect with active hotel employees in the region. Responses were continuously monitored for data reliability purposes during the data collection period. Also, the contact information of the researchers was provided in the survey introduction for any participant inquiries.

Respondents were appropriately informed about the study's aims prior to participation to ensure compliance with ethical standards of research. All items included in the quantitative survey were assured that their responses would be anonymous and given verbal consent. Participant recruitment was facilitated through professional and personal networks, with colleagues and relatives being used as a pathway. In addition, all respondents stated that the collecting of data for research had an explicit purpose, and they stated that their participation was voluntary.

Research Instruments

Five distinct parts made up the survey. The first section consisted of a collection of demographic information from the primary respondents. The second section used a seven-item scale adapted from Carless et al.(Carless et al., 2000), to measure transformational leadership (TFL). In the third section, psychological well-being (PWB) was assessed using an eight-item scale developed by Diener et al. (Diener et al., 2010). The fourth section used a twelve-item scale developed by Spreitzer(Spreitzer, 1995) to evaluate psychological empowerment (PE). The survey was reviewed by eleven researchers and no issues with content validity were reported. Using a seven-point Likert scale, participants' responses were recorded where "strongly disagree" was scored one (1) and "strongly agree" was scored seven (7).

Data Evaluation

A sample of 600 full-time employees working in five-star hotels was selected as participants and research surveys were given to them accordingly. For the validity checks, out of these 476 surveys were completed successfully and the response rate was 79.3% with NO missing data. In line with Nunnally's (Nunnally & Bernstein, 1994) guideline for a ratio of 1 to 10 items, the recommended minimum number of valid responses was 394. Of the 476 valid responses, 398 (83.6%) employees were male and 78 (16.4%) were female. Of the total respondents, more than half were between the ages of 26 and 35 (76.3%). In addition, most of the respondents (83.4%) were employed in the front office and food & beverage departments.

Descriptive analyses and multiple regression were performed through Smart-PLS V4 and data analysis was made using SPSS version 24 according to the two-stage approach described by Leguina(Leguina, 2015). Following the criteria of Henseler et al.(Henseler et al., 2009), PLS-SEM was utilized as the best way to conduct both exploratory and predictive research. Also, sample sizes were deemed adequate to maintain distributional flexibility in normality assumption(do Valle & Assaker, 2016; Joe F Hair Jr et al., 2017). Following the suggestions of

Podsakoff et al.(Podsakoff et al., 2003), Harman's single-factor test was used to mitigate common method variance (CMV).

Results

An exploratory factor analysis (EFA) performed on the twenty-seven items revealed that the first factor contributes only 26% of the total variance. This finding raises the point that the first factor is indeed capturing a significant amount of variance, but the configuration of the data is inherently multidimensional. A result such as this suggests that additional factors may be needed to adequately explain the relationships among the items, thereby indicating that there are multiple latent constructs present within the dataset. In the present investigation, there appear to be minimal concerns regarding the common method variance (CMV). Also, the absence of multicollinearity is indicated by the values of the Variance Inflation Factor (VIF) values less than the threshold of 5 (see Table 1). Strong convergent validity is demonstrated because the standardized factor loadings (λ) for each scale item, found in Table (1), exceed the threshold of .7 which shows that each item measures its respective construct consistently.

Scale Variables	λ	VIF
<i>Transformational Leadership: ($\alpha = 0.937$, $CR = 0.953$, $AVE = 0.735$)</i>		
TFL1	0.761	2.563
TFL2	0.936	2.273
TFL3	0.813	1.654
TFL4	0.936	1.432
TFL5	0.915	2.743
TFL6	0.648	2.114
TFL7	0.947	2.436
<i>Psychological Empowerment: ($\alpha = 0.978$, $CR = 0.984$, $AVE = 0.809$)</i>		
PEMB1	0.822	1.254
PEMB2	0.837	1.214
PEMB3	0.808	1.169
PEMB4	0.883	1.671
PEMB5	0.834	1.023
PEMB6	0.967	2.315
PEMB7	0.777	1.256
PEMB8	0.968	1.245
PEMB9	0.956	2.387
PEMB10	0.966	1.964
PEMB11	0.971	2.441
PEMB12	0.966	1.287
<i>Psychological Well-being: ($\alpha = 0.953$, $CR = 0.957$, $AVE = 0.756$)</i>		
PWB1	0.822	2.314
PWB2	0.794	1.541
PWB3	0.929	1.473
PWB4	0.842	2.443
PWB5	0.913	2.463
PWB6	0.845	1.214

PWB7	0.919	1.416
PWB8	0.883	2.371

Table 1: Measurements And Variables Parametric Attributes

	PEMB	PWB	TFL
PEMB	0.899		
PWB	0.107	0.869	
TFL	0.102	0.514	0.857

Table 2: Assessing Discriminant Validity Using Fornell and Larcker

“Bold figures show the square root of AVE, HTMT ratios are shown in brackets.”

The relevance between the variables of the proposed model and their corresponding components is shown in line with the guidelines of Fornell and Larcker (Fornell & Larcker, 1981) and Hair et al. (Joe F Hair Jr et al., 2017), using that the capacity of the proposed model to clarify the variance of the components with which the variables are linked is superior to the other constructs (see Table 2). This validates the discriminant validity of the model. In addition, the analysis demonstrates that the factor loading for every item is greater on its associated construct than on any other variable, thus confirming the model's discriminant validity since Chin (Chin, 1998).

	PEMB	PWB	TFL
PEMB			
PWB	0.109		
TFL	0.104	0.553	

Table 3: Assessing Discriminant Validity Using Heterotrait-Monotrait (HTMT).

The Heterotrait–Monotrait (HTMT) ratio is used to evaluate the level of similarity between latent constructs to identify discriminant validity. Henseler et al. (Henseler et al., 2016), reported that an HTMT score below 0.90 will confirm discriminant validity. As shown in Table (3), all HTMT ratios are below this 0.90 threshold of robust discriminant validity, therefore supporting robust discriminant validity. This finding is helpful in increasing the reliability of the results because the constructs in the model are shown to be distinct concepts that are not significantly correlated.

	β	T-Value	P-Values
Direct Effects			
(H1) TFL \rightarrow PWB	0.572	9.213	0.000***
(H2) TFL \rightarrow PEMB	0.106	4.016	0.000***
(H3) PEMB \rightarrow PWB	0.162	2.758	0.006**
Indirect Effects			
(H4) TFL \rightarrow PEMB \rightarrow PWB	0.010	2.098	0.036*
(H5) PEMB X TFL \rightarrow PWB	0.302	4.894	0.000***

Table 4: Hypotheses Testing Results

The result of testing the hypotheses as presented in Table (4) offers significant insights into relationships between transformational leadership (TFL), psychological empowerment (PEMB), and psychological well-being (PWB) in the Saudi hospitality sector. The results of direct effects establish that TFL positively and significantly influences (PWB) with ($\beta = 0.572$, $T\text{-value} = 9.213$, $P\text{-value} = 0.000$) which corresponds to the first hypothesis (H1). It indicates that the higher levels of transformational leadership are positively related to employee psychological well-being and are thus an important aspect of devising strategies that would improve employee well-being. Furthermore, TFL also has a positive effect on PEMB, ($\beta = 0.106$, $T\text{-value} = 4.016$, $P\text{-value} = 0.000$), as expected, supporting the second hypothesis (H2). It means that to achieve a sense of psychological empowerment in employees, actions of a transformational leadership nature like inspiring and motivating employees are important. In addition, PWB also had a significant positive effect on PEMB ($\beta = 0.162$, $T = 2.758$, $P = 0.006$) implying support for the third hypothesis (H3). This finding reinforces that employees who experience psychological empowerment have better psychological well-being and that empowerment is a critical pathway for improving well-being in the workplace, shows that psychological empowerment is an effective way to increase individual psychological well-being at work.

The indirect relationships between variables validate the mediating and moderating effect of psychological empowerment (PEMB) between transformational leadership (TFL) and psychological well-being (PWB) (see Table 3). Data analysis reveals that psychological empowerment (PEMB) was found to be partially mediated by the relationship between TFL and PWB ($\beta = 0.010$, $T = 2.098$, $P = 0.036$), thereby confirming the fourth hypothesis (H4). The aforementioned result highlights the fact that transformational leadership has an indirect impact on employee well-being by first increasing psychological empowerment, which then has a beneficial impact on well-being. Moreover, the moderating effect of psychological empowerment (PEMB) on the connection relating TFL and PWB was highly significant ($\beta = 0.302$, $T = 4.894$, $P = 0.000$), supporting the fifth hypothesis (H5). This reveals that when employees feel psychologically empowered, the positive influences of TFL on their PWB are reinforced. It also reveals that PEMP strengthens the beneficial connection between TFL and PWB. Accordingly, psychological empowerment acts as a powerful moderator, enhancing the beneficial impacts of transformational leadership on workers' well-being.

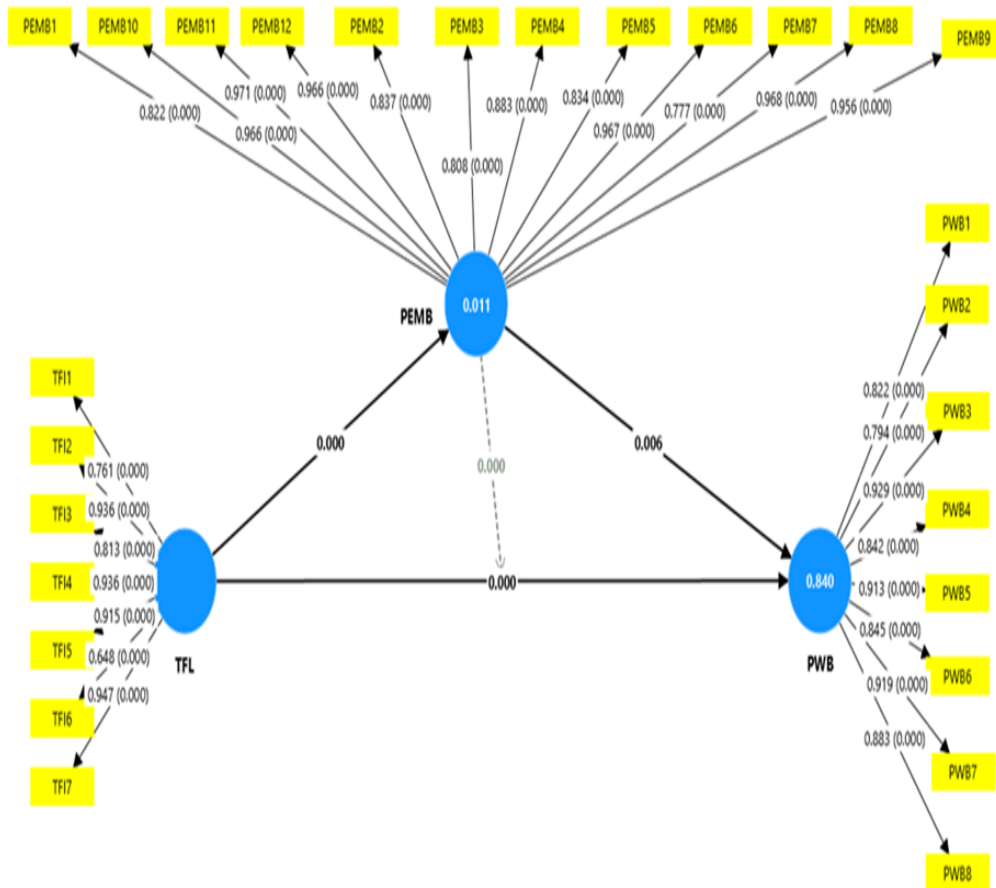


Figure 2: The Research Final Model

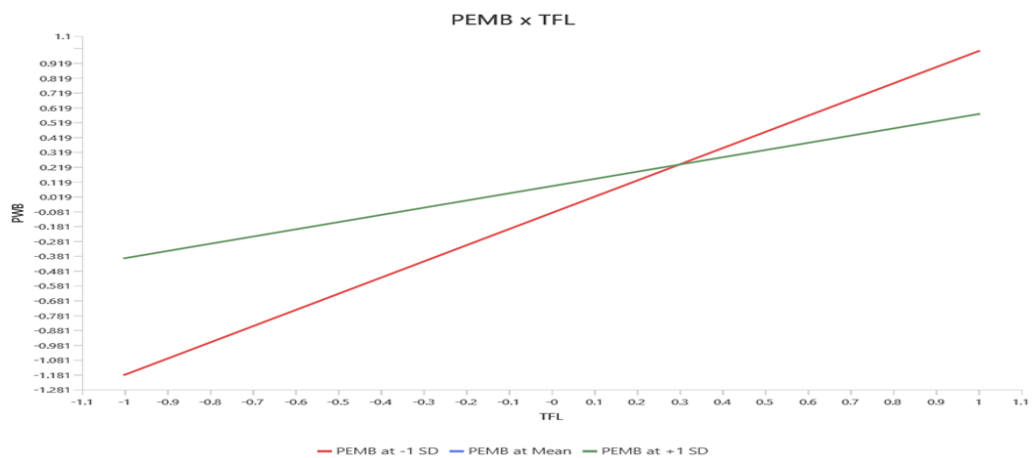


Figure 3: The Moderation Effect

Discuss

This study's primary goals were to quantitatively examine the connections between TFL, PEMB, and PWB. By illuminating the moderation-mediation function of PEMB, this study contributes to the knowledge of PWB. Therefore, this study also aims to explore the PEMB's moderation-mediation role in this association. In the Saudi hotel industry, we discovered important connections between PEMB, TFL, and PWB.

Our analysis shows that TFL has a favorable and significant impact on PWB, according to the direct effects data. According to this result, TFL is a practical and promising idea that can help workers exhibit traits like self-assurance, healthy relationships, independence, ecological excellence, personal growth, and a sense of purpose in life. It suggests that greater degrees of TFL have a favorable correlation with workers' psychological health, making them a crucial component in developing plans to enhance workers' well-being in the hotel sector.(Kim & Cruz, 2022; Nielsen et al., 2008).

Additionally, we discovered that TFL enhances PEMB among employees in the hotel sector. It implies that TFL behaviors, such as inspiring and motivating staff, are necessary to cultivate a sense of PEMB in workers. Therefore, PEMB greatly increases job satisfaction by encouraging employee productivity in the hotel sector. This suggests that in order for employees of the hotel to feel PEMB, TFL behaviors like motivating and inspiring them are essential. (Jha, 2014; Pradhan et al., 2017). Furthermore, our analysis found that PEMB significantly improved PWB as well. This result demonstrates that psychological empowerment is a successful strategy for raising individual PWB at work and supports the notion that employees who receive PEMB have higher PWB and that empowerment is a crucial pathway for enhancing well-being in the workplace(Forlani et al., 2006; Molix & Bettencourt, 2010).

Finally, the current study shows the association between TFL and PWB was found to be partially mediated by psychological empowerment (PEMB). This finding emphasizes how transformative leadership indirectly affects worker well-being by boosting psychological empowerment, which in turn improves well-being. This result aligns with previous research(Almasradi et al., 2024; Echebiri et al., 2020). Furthermore, psychological empowerment (PEMB) had a highly significant moderating effect on the relationship between TFL and PWB.

Conclusions & Implications

This research examined the direct and indirect connections that exist between transformational leadership (TFL) , psychological empowerment (PEMB) , and psychological well-being (PWB) in Saudi five-star hotels. The self-determination theory (SDT) study validates the essential position of TFL to boost PEMB and PWB through empirical data. The research findings confirm that employees under transformational leadership experience improved psychological well-being which establishes how leaders who serve to inspire and encourage intellectual development create better job satisfaction and employee health. The influence of TFL-based PWB formation needed psychological empowerment to function as either a connecting or modifying link in this correlation process.

Psychological empowerment acts as a partial mediator linking transformational leadership to psychological well-being because employees gain empowerment traits through leadership which then enhances well-being on two levels. The moderation power of PEMB intensifies the relationship between TFL and PWB therefore demonstrating that empowered staff members achieve stronger benefits from leadership transformation. This result underscores the necessity

to establish leadership strategies that empower employees because they lead to better psychological health together with more satisfied workers. Hotel enterprises should establish leadership development programs that emphasize transformational leadership behaviors according to findings from this managerial point of view. Managers in five-star hotels should work to create empowering workplaces that allow team members to experience recognition and competence while making effective contributions to their professional setting. Organizations implementing such programs will achieve better employee well-being that results in enhanced performance improved staff retention rates and superior hospitality services.

Theatrical Implications

The results of this study provide a significant theoretical understanding of the Self-Determination Theory (SDT) in a transformational leadership context with regard to employee psychological well-being (PWB.) As such, SDT highlights the importance of autonomy, competence, and relatedness as fundamental human needs that serve to sustain intrinsic motivation and well-being. The current study shows that transformative leadership (TFL), conforming to core principles of SDT, leads to psychological empowerment (PEMB), a concept shared with the basic tenets of SDT in terms of fostering feelings of autonomy and competence among the employees. Transformational leaders inspire and empower their teams to create a work environment where the employees feel more control over their work and consequently feel more intrinsically motivated. Our study shows that this empowerment provides not only a means to motivate employees but also a basis for positive leadership within employees' well-being portal. The research reinforces that SDT is appropriate for explaining how leadership behaviors can lead to psychological empowerment and, hence, contribute to psychological well-being at work.

Moreover, the study also contributes beyond the current theoretical and research framework of SDT by identifying the mediating role of psychological empowerment (PEMB) within the framework of SDT in relation to the mechanisms of transformational leadership on employee outcomes. By proving that PEMB mediates the satisfaction of basic psychological needs and as per SDT the satisfaction of basic psychological needs is necessary to motivate and promote well-being this study proves PEMB is a crucial mediator for the satisfaction of basic psychological needs can help to motivate and promote well-being in a hospitality context. The transformational leader transforms employee empowerment, so employees feel competent and connected, satisfying their psychological needs. This theoretical expansion helps frame a more nuanced understanding of how leadership behaviors affect psychological well-being and offers a robust theoretical lens for future research to explore other mediators and moderators, such as job autonomy and social support, within the SDT framework. Thus, the integration of PEMB as a key variable in this process adds to the theoretical landscape of both leadership studies and the SDT, offering new opportunities to study employee well-being in organizational settings.

6.2 Practical Implications:

This study has practical implications for hotel businesses that intend to improve the PWB of their employees; such enterprises should cultivate a multitier approach with both TFL and BEMB practices. First and foremost, hotel enterprises that want to promote and maximize the PWB of regular employees must prioritize empowering structural sources in the workplace. Leaders of hospitality organizations, such as hotels, should improve the psychological well-being of their employees. As such, they should play a key role in creating plans to improve

employees' well-being on a daily basis. This might improve the individual as well as group performance in these organizations.

Second, hotel managers and hospitality leaders should create empowerment initiatives that directly assist but also coincide with the leadership style of their organizations. Thus, specifically, transformational leaders should motivate their teams by creating a sense of meaning and purpose in their work, conferring this value to the organization, and making employees feel supported to grow professionally. In this approach, we might provide mentorship, with employee intrinsic motivation development opportunities, as well as clear communication of organizational goals. When leaders engage in such behaviors, not only will they boost psychological empowerment (PE) among employees but also increase their mental health and workplace satisfaction, two of which link with better performance outcomes and lower turnover in the hospitality industry.

Third, hotel managers and hospitality leaders need to realize that employee recognition and rewards can bolster employee psychological empowerment. Both formally and informally acknowledging the contributions of employees can have a huge impact on how they feel they are perceived and how competent and valuable the workplace sees them. Such recognition is a result of leadership practices, appreciates the efforts of personal development, and creates an environment in which employees will contribute more meaningfully towards organizational goals. In recognition, the programs should be hand-crafted in line with employees' intrinsic motivations, by acknowledging of work and celebrating their efforts.

Fourth, hotel managers and leaders within the hospitality industry must build wellness programs and support systems that deal with the psychological needs of their employees. These programs have to be structured such that the problems of hospitality employees, such as high stress, burnout, and emotional exhaustion, are accounted for. These initiatives play a broader role in a larger strategy for improving employees' psychological well-being by providing mental health resources, supporting work-life balance, and giving tools for stress management. Such programs not only facilitate constructive communication and feedback from employees as well as a work culture that is less of a hierarchical one, but they also contribute to the psychological empowerment that aids in performance and job satisfaction.

Study Limitations & Future Research

In this research, the context of frontline Saudi hotel employees would have limited the generalizability of the results to other industries or geographic areas. The relationships between the variables may differ in the Saudi hotel sector due to its unique cultural, economic, and organizational characteristics. Future research could extend the ambit of these dynamics across other sectors or regions to gain a more fine-grained view of the factors that shape psychological empowerment and leadership. Future research will examine how cultural factors may influence the psychology of empowerment as well as transformational leadership. However, Saudi Arabia has its own cultural and organizational norms and may adopt different styles of leadership or practices of empowerment from those in Western or other Middle Eastern countries. Studies comparing such strategies in different cultures could clarify how cultural factors play a role in the effectiveness of transformational leadership and empowerment strategies in enhancing psychological well-being. Moreover, the current study presents psychological empowerment (PEMP) as a mediator and moderator in the relationship between TFL and PWB, but other possible mediators-moderator, e.g., organizational culture, social support, or job satisfaction were not. Additional mediating or moderating variables might offer a model that includes more

explanatory power toward the mechanisms through which leadership and empowerment lead to well-being.

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