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# CAUSAL FACTORS AFFECTING STAFF PERFORMANCE APPRAISAL IN MEDIUM-SIZED HOTELS IN BANGKOK

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## ABSTRACT

*The hotel business is showing signs of continued recovery. The impact of covid-19, as mentioned above, highlights the need to develop human resource management knowledge to align with the modern world context. This is especially true in the hospitality industry, which is facing challenges from all sides, including intense competition from both traditional hotels and new online platforms. For example, Airbnb, changes in consumer behavior, and employee performance such as transformational leadership, human resource management, innovation, and job satisfaction. The objectives of this research study were 1) to study the causal factors affecting transformational leadership, human resource management, innovation, and job satisfaction on affecting staff performance appraisal in the medium-sized hotel industry in Bangkok. 2) to study the influence of causal factors of transformational leadership, human resource management, innovation, and job satisfaction on affecting staff performance appraisal in the medium-sized hotel industry in Bangkok. 3) to create a model of causal factors of transformational leadership, human resource management, innovation, and job satisfaction affecting staff performance appraisal in the medium-sized hotel industry in Bangkok. A researcher collected data from interviews and online questionnaires with employees in the hotel industry from March 2025 to May 2025 by collecting a sample of 400 people. The results of the analysis concluded that transformational leadership affects human resource management, transformational leadership affects innovation, transformational leadership affects job satisfaction, human resource management affects employee job satisfaction in the medium-sized hotel industry in Bangkok, innovation affects employee job satisfaction in the medium-sized hotel industry in Bangkok, and job satisfaction affects staff performance appraisal in the medium-sized hotel industry in Bangkok. It helps to gain a deeper understanding of the mechanisms linking these factors to staff performance appraisal. The role and relationship of each factor that affects staff performance appraisal is clearer, which can be used as a guideline for planning and determining strategies for systematic organizational development, and it can be applied to increase the effectiveness of human resource management in a concrete and sustainable manner in the future.*

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**KEYWORDS:** Transformational Leadership, Human Resource Management, Innovation, Job Satisfaction, Staff Performance Appraisal.

## 1. INTRODUCTION

The hospitality industry is a cornerstone of Thailand's economy, generating substantial contributions to the national GDP through tourism-related activities. In Bangkok, medium-sized hotels typically defined as establishments with 50 to 200 rooms play a critical role in accommodating the diverse needs of domestic and international travelers. These hotels often provide personalized services and cultural experiences that larger hotel chains may not deliver. However, the competitiveness and success of such hotels are heavily dependent on the quality and performance of their staff, which are commonly evaluated through systematic staff performance appraisal processes. Effective staff performance appraisals are not merely administrative exercises; they serve as strategic tools for enhancing service quality, motivating employees, and fostering organizational growth (Vuong & Nguyen, 2022). Despite their importance, there remains a research gap regarding the causal factors influencing staff performance appraisal outcomes, particularly in the context of medium-sized hotels in Thailand. This study addresses that gap by examining the interplay of four critical constructs transformational leadership, human resource management, innovation, and job satisfaction and their collective impact on staff performance appraisal. Transformational leadership, characterized by inspirational motivation, intellectual stimulation, and individualized consideration, is widely recognized for fostering employee commitment and organizational identification (Kim *et al.*, 2023). HRM practices, encompassing recruitment, training, performance evaluation, and workplace health and safety, ensure that employees' capabilities align with organizational objectives (Alzyadat *et al.*, 2015). Innovation, including product, process, and organizational advancements, is essential for improving service delivery and operational efficiency (Calik *et al.*, 2017). Finally, job satisfaction driven by work conditions, remuneration, career development opportunities, and leadership quality mediates the relationship between organizational practices and performance outcomes (Heimerl *et al.*, 2020).

By employing Structural Equation Modeling (SEM), this study develops and tests a causal model to analyze both direct and indirect relationships among these constructs. The focus on medium-sized hotels in Bangkok provides context-specific insights for the tourism sector, with findings expected to inform managerial strategies for enhancing

employee performance and sustaining competitive advantage.

### 1.1. Research Objectives

- 1) To study the causal factors affecting transformational leadership, human resource management, innovation, and job satisfaction that influence the staff performance appraisal in the medium-sized hotel industry in Bangkok.
- 2) To study the influence of causal factors of transformational leadership, human resource management, innovation and job satisfaction on the staff performance appraisal in the medium-sized hotel industry in Bangkok.
- 3) To create a model of causal factors of transformational leadership, human resource management, innovation, and job satisfaction that staff performance appraisal in the medium-sized hotel industry in Bangkok.

## 2. LITERATURE REVIEW

The concepts and theories employed in this research encompass Transformational Leadership, Human Resource Management, Innovation, Job Satisfaction, and Staff Performance Appraisal. These variables, as outlined in the background and significance of the study, form the foundation for constructing the conceptual framework. The analysis focuses on examining the relationships among these variables within the context of the hotel industry, as detailed below.

### *Hypothesis 1: Transformational Leadership affects Human Resource Management*

Gom *et al.* (2021) stated that transformational leadership fosters positive organizational change by inspiring followers' values, needs, and aspirations. This enhances their work motivation and alignment with shared goals, leading to improved thoughts, feelings, and behaviors.

Wang (2022) leadership style that aims to inspire, intellectually stimulate, and act as an idealized influence while providing individualized consideration. The leader can thereby increase followers' intrinsic motivation, leading to positive changes in their attitudes, values, and behaviors, and effectively achieving organizational goals.

Kim *et al.* (2023) leadership style that inspires and transforms followers' behaviors, expectations, and attitudes. Leaders focus on sharing the organization's vision and goals, providing necessary resources, stimulating intellectual thought, and setting high expectations.

### ***Hypothesis 2: Transformational Leadership affects Innovation***

Votto et al. (2021) managing people within an organization through systems and technology, especially a tactical Human Resource Management System (HRIS), which includes the use of artificial intelligence (AI) to support decisions in recruitment, performance appraisal, training, compensation, and employee discipline.

Molina-Azorin et al. (2021) traditional human resource management (HRM) processes evolve into Green HRM by integrating environmental issues into HR activities such as training, performance appraisal, and compensation. This approach emphasizes supporting the organization's environmental and sustainability strategies.

Gadzali et al. (2023) human resource management in the context of digital transformation focuses on developing digital skills, managing cultural and leadership change, organizational restructuring, talent management, and effective communication. These efforts aim to enhance the organization's competitiveness in the digital era.

### ***Hypothesis 3: Transformational Leadership affects Job Satisfaction***

Sharma et al. (2021) the process of creating, improving, or adopting new approaches in products, processes, organizational structures, or marketing. This is done to enhance efficiency, customer experience, and business performance.

Harif et al. (2022) the process of creating or implementing new things at both the organizational and service levels. The goal is to increase the value and efficiency of the organization, particularly through the use of technology, knowledge management, and the application of open innovation principles.

Elshaer & Marzouk (2024) structured process of creating, accepting, and implementing new ideas, techniques, services, or products. The aim is to enhance the customer experience and improve the organization's competitive capabilities.

### ***Hypothesis 4: Human resource management affects job satisfaction of employees in the medium-sized hotel industry in Bangkok***

Marta et al. (2021) positive feeling resulting from job enrichment and empowerment. This leads to increased employee motivation and organizational commitment, serving as a mediator between job structure and organizational dedication.

Abolnasser et al. (2023) the feelings or attitudes

that employees hold towards their work, which reflect their overall satisfaction or dissatisfaction. This includes feelings of accomplishment, satisfaction with colleagues, work environment, job content, and the resources provided for work.

Mostafa & Jaafar (2024) multidimensional construct comprising feelings of satisfaction, fulfillment, and a sense of value in one's work. It is supported by factors such as task variety, autonomy, feedback, growth opportunities, and work-life balance, all of which are critical for fostering employee engagement and well-being at work.

### ***Hypothesis 5: Innovation affects Job Satisfaction of Employees in the Medium-sized Hotel Industry in Bangkok***

Suyono et al. (2021) the emotional or affective response of an employee to various job elements, such as colleagues, supervisors, or the work environment. This is considered an attitude formed from evaluating whether the work outcomes or environment align with one's expectations.

Basalamah (2021) employees' positive evaluation of their jobs and work environment, which influences their work behaviors and performance. This is particularly relevant in educational institutions, where satisfaction often stems from both financial incentives and a supportive work environment, leading employees to feel secure and dedicated to the organization.

Donate et al. (2022) the ability of an organization to develop or improve new products, processes, or management approaches to create a sustainable competitive advantage. In the context of this study, innovation focuses on innovation capabilities, which are a combination of resources (including human, technological, and tangible resources) that lead to continuous organizational development.

### ***Hypothesis 6: Job Satisfaction affects the Performance of Employees in the Medium-sized Hotel Industry in Bangkok***

Duarte et al. (2021) outcome of an individual's ability to perform assigned duties with high quality, including work-related behaviors such as diligence, responsibility, and effective collaboration. It evaluates not only the final results but also the process and method of work.

Teoh et al. (2022) behavioral expression of an employee in achieving specified goals. It encompasses effective time utilization, problem-solving skills, collaboration with others, and the ability to produce results that meet organizational standards. This is considered a key indicator of the

quality of human capital within an organization.

Vieira dos Santos *et al.* (2023) performance of job-related roles using planning, goal-setting, and self-evaluation skills. This is dependent on an employee's ability to adapt to the work environment and contribute positively to a team.

## 2.1. Research Framework

This research is both qualitative and quantitative. The researcher establishes the conceptual framework based on systems theory. It can be concluded that the components of the system consist of (1) input, (2) process, (3) output, and (4) feedback, which can be described as follows:

(1) Input refers to 1) transformational leadership, which consists of six components: organizational identification, core transformational leader behavior, high-performance expectations, intellectual stimulation, supportive leader behavior, and task performance, 2) human resource management, which consists of six components: human resource planning, selection, training and development, job

evaluation, recruitment, safety and health, and 3) innovation, which consists of six components: product, process, organizational, marketing, culture and resource.

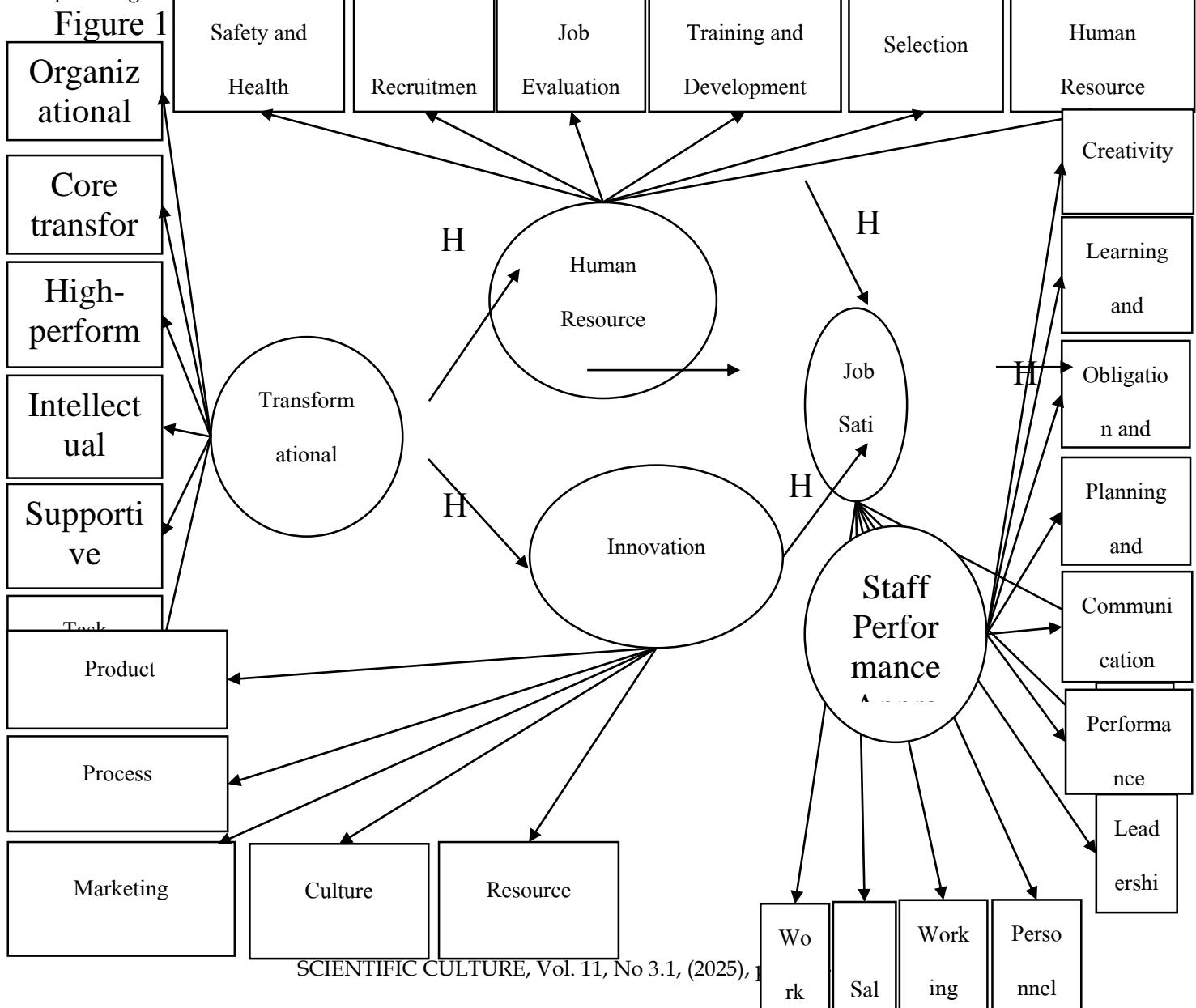
(2) Process refers to job satisfaction, which consists of seven components: work house, salary, personnel development, working atmosphere, leadership and management, working activity and Infrastructure.

(3) Output refers to staff performance appraisal, which consists of six components: creativity, learning and growing ability, obligation and responsibility, planning and actions, communication skills and performance.

(4) Feedback refers to staff performance appraisal, which, as the output, has a feedback effect on transformational leadership, human resource management, innovation and job satisfaction.

All four components are interrelated and cannot be separated. Any change in one component will inevitably affect the others. A deficiency or error in one component will result in deficiencies in the others as well.

Figure 1



*Figure 1: Research Framework*

### 3. RESEARCH METHODOLOGY

This research employs a mixed-methods approach, integrating both qualitative and quantitative methods. The study focuses on collecting data from employees in medium-sized hotels in Bangkok to explore the causal factors of transformational leadership, human resource management, innovation, and job satisfaction that influence the staff performance appraisal.

The population in this study comprises customers who use services from the medium-sized hotel industry, with an infinite population size ( $\infty$ ). The sample group includes 380 respondents, selected through a Structural Equation Modelling (SEM) approach. Based on the conceptual framework, there are 5 latent variables and 30 observed variables. According to the recommendation by Hair et al. (2006), the appropriate sample size should range between 15 to 20 times the numbers of observed variables to be considered adequate for multivariate analysis. Therefore, the appropriate and sufficient sample size for this study is between  $15 \times 20 = 300$  and  $20 \times 20 = 400$  participants.

The research instruments consist of two types. The first is a questionnaire, divided into six parts: Part 1 covers demographic information and general organizational data of the respondents; Part 2 relates to transformational leadership. Part 3 pertains to human resource management; Part 4 relates to innovation; Part 5 focuses on job satisfaction; Part 6 staff performance appraisal and Part 7 recommendations.

The researcher submitted the draft questionnaire to five experts for validation. The Item-Objective Congruence (IOC) was calculated, yielding a value of 0.8672, indicating a high level of content validity. Additionally, the reliability of the research instrument was tested, resulting in a Cronbach's alpha coefficient of 0.8969, confirming strong internal

consistency. This validated and reliable instrument was employed to investigate the causal factors affecting staff performance appraisal in medium-sized hotels in Bangkok

#### 3.1. Interview

The interview consists of the following guiding questions:

- How do you think transformational leadership affects human resource management in the hotel industry? Please provide examples of beneficial initiatives.
- How do you feel transformational leadership affects innovation in the hotel industry? Please explain your reasoning.
- In what ways do you think transformational leadership affects employee job satisfaction in the hotel industry?
- Do you think human resource management affects employee job satisfaction in the hotel industry? Please explain your reasoning.
- How does innovation affect employee job satisfaction in the hotel industry? Is there any specific event that makes you feel that way?
- In your opinion, does job satisfaction influence staff performance appraisal in the hotel industry, or do you have any ideas on how to improve staff performance appraisal further?

The researcher collected data through in-depth interviews conducted between March 2025 and May 2025. The data were then analyzed and synthesized, and the findings were described using descriptive narration. In addition, content analysis was applied to interpret and structure the qualitative data. This process was aimed at developing and refining the model initially derived from the quantitative phase of the research.

#### 3.2. Research Findings

*Table 1: Title.*

Objective 1	Research Findings
Transformational Leadership	The respondents' overall opinions regarding transformational leadership were rated at a high level. When analyzed by individual dimensions, all six aspects were also rated at a high level. Among these, high-performance expectations had the highest rating from respondents, followed

*Table 2: Title.*

Objective 1	Research Findings
	By organizational identification, supportive leader behavior, task performance, and core transformational leader behaviors, while intellectual stimulation was rated the lowest.
Human Resource Management	The respondents' overall opinions regarding human resource management were rated at a high level. When analyzed by individual dimensions, all six aspects were also rated at a high level. Among these, safety & health had the highest rating from respondents, followed by training & development, job evaluation, recruitment/retention, and human resource planning, while selection was rated the

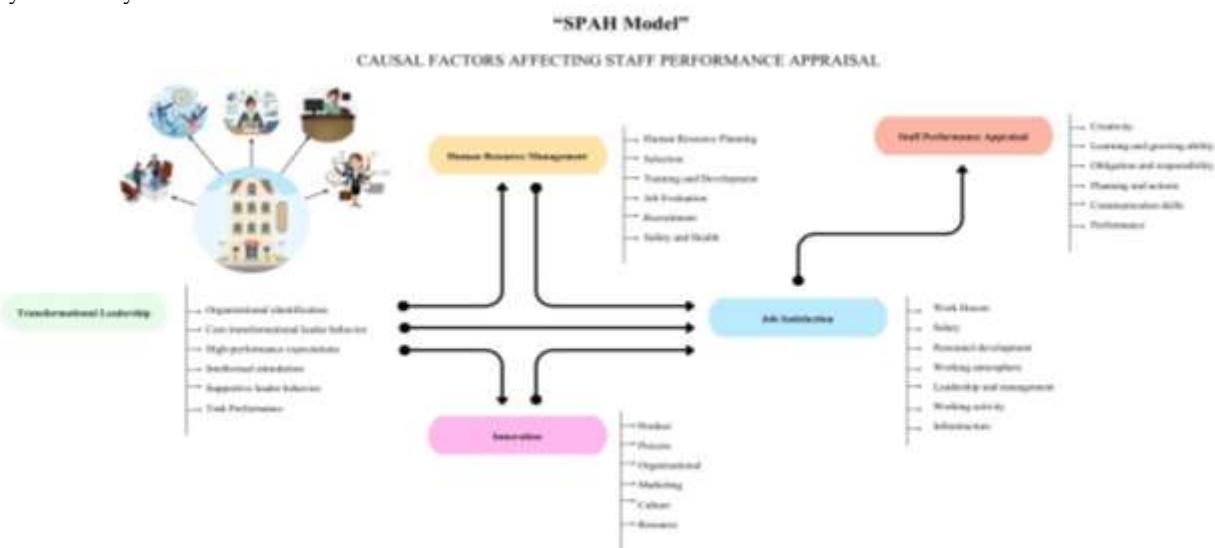
	lowest.
Innovation	The respondents' overall opinions regarding innovation were rated at a high level. When analyzed by individual dimensions, all six aspects were also rated at a high level. Among these, marketing the highest rating from respondents, followed by process, culture, product, and resource, while organizational was rated the lowest.
Job Satisfaction	The respondents' overall opinions regarding job satisfaction were rated at a high level. When analyzed by individual dimensions, all seven aspects were also rated at a high level. Among these, working atmosphere the highest rating from respondents, followed by infrastructure, personnel development, leadership & management, working activity, and work hours, while salary was rated the lowest.
Staff Performance Appraisal	The respondents' overall opinions regarding staff performance appraisal were rated at a high level. When analyzed by individual dimensions, all six aspects were also rated at a high level. Among these, obligation & responsibility and performance the highest rating from respondents, followed by communication skills, planning & actions and learning & growing ability, while creativity was rated the lowest.

**Table 3: Title.**

Objective 2	Research Findings
Transformational Leadership (TL)	Has a significant positive direct effect on Human Resource Management (HRM) with a path coefficient of 0.42, statistically significant at the 0.01 level.
Transformational Leadership (TL)	Has a significant positive direct effect on innovation (INN) with a path coefficient of 0.38, statistically significant at the 0.01 level.
Transformational Leadership (TL)	Has a significant positive direct effect on job satisfaction (JS) with a path coefficient of 0.29, statistically significant at the 0.01 level.
Human Resource Management (HRM)	Has a significant positive direct effect on job satisfaction (JS) with a path coefficient of 0.51, statistically significant at the 0.01 level.
Innovation (INN)	Has a significant positive direct effect on job satisfaction (JS) with a path coefficient of 0.35, statistically significant at the 0.01 level.
Job Satisfaction (JS)	Has a significant positive direct effect on Staff Performance Appraisal with a path coefficient of 0.31, statistically significant at the 0.01 level.

Objective 3: The research findings reveal that the model developed from the results of confirmatory analysis and synthesis led the researcher to name the

model as the Staff Performance Appraisal in Hotels Model (SPA Model).

**Figure 2: Causal Factors Affecting Staff Performance Appraisal Model**

## 4. DISCUSSION

### The findings from Objective 1 and 2 reveal that:

- Transformational leadership affects human resource management. It is seen as a leadership style that can sustainably enhance employee potential and improve organizational performance. When this is

achieved through organizational identification, core transformational leader behavior, high-performance expectations, intellectual stimulation, supportive leader behavior, task performance, Human Resource Planning, Selection, Training and Development, Job Evaluation, Recruitment, and Safety and Health.

This supports the study by by Kim et al. (2023).

- Transformational leadership affects innovation by being able to inspire, direct, and create a culture that is conducive to creative change and development. When this is achieved through organizational identification, core transformational leader behavior, high-performance expectations, intellectual stimulation, supportive leader behavior, task performance, product, process, marketing, culture, and resource. This supports the study by Votto et al. (2021).

- Transformational leadership affects job satisfaction and has characteristics that can inspire and motivate employees to be committed to their work and develop the organization sustainably. When this is achieved through organizational identification, core transformational leader behavior, high-performance expectations, intellectual stimulation, supportive leader behavior, task performance, Work House, salary, personnel development, working atmosphere, leadership and management, working activity, and infrastructure. This supports the study by Harif et al. (2022).

- Human Resource Management affects Job Satisfaction this leads to the key latent variables of human resource management include Human Resource Planning, Selection, Training and Development, Job Evaluation, Recruitment, and Safety and Health. The key components of job satisfaction include Work Hours, Salary, Personnel Development, Working Atmosphere, Leadership and Management, Working Activity, and Infrastructure. This supports the study by Marta et al. (2021)

- Innovation affects Job Satisfaction this leads to the key latent variables of innovation include Product, Process, Marketing, Culture and Resource and the key latent variables of Job Satisfaction include Work House, Salary, Personnel development, Working atmosphere, Leadership and management, Working activity and Infrastructure. This supports the study by Donate et al. (2022)

- Job Satisfaction affects Staff Performance Appraisal this leads to the key latent variables of job satisfaction include Work House, Salary, Personnel development, Working atmosphere, Leadership and management, Working activity and Infrastructure and the key latent variables of Staff Performance Appraisal include Creativity, Learning and growing ability, Obligation and responsibility, Planning and actions, Communication skills and Performance. This supports the study by Teoh et al. (2022).

The findings from Research Objective 3, based on in-depth interviews, revealed a model of causal

factors affecting staff performance appraisal in medium-sized hotels in Bangkok.

#### 4.1. Research Contribution

Based on the research findings, this study provides academic insights into the causal factors affecting staff performance appraisal in medium-sized hotels in Bangkok. The results enhance understanding of the relationships impacting various variables related to transformational and staff performance appraisal. These findings can be further developed and extended academically for future research and applied studies in other related fields

### 5. CONCLUSION

In summary, the staff performance appraisal process in medium-sized hotels in Bangkok plays a crucial role in the organization by evaluating both individual and team performance. However, this sector has been significantly impacted by internal and external factors in the hotel industry. These trends require medium-sized hotels to rapidly adapt to evolving employee needs and intensifying competition. Key influencing factors include Transformational Leadership, Human Resource Management, Innovation, and Job Satisfaction. The analysis concludes that Transformational Leadership affects Staff Performance Appraisal; HRM affects Staff Performance Appraisal; Innovation affects Staff Performance Appraisal; and Job Satisfaction affects Staff Performance Appraisal. Based on these findings, medium-sized hotels can develop strategies focused on building employee performance by enhancing leadership quality, improving HRM practices, fostering innovation, and boosting job satisfaction. This approach will help strengthen long-term relationships between managers and affects staff performance appraisal and commitment.

#### 5.1. Recommendations

Improving staff performance appraisal in medium-sized hotels in Bangkok requires viewing transformational leadership, human resource management, innovation, and job satisfaction as a single, integrated system. The evidence suggests a practical sequence: build leadership capability first, align human resource management to institutionalize those leadership standards, then accelerate frontline micro-innovation while continuously managing job satisfaction, the strongest proximal predictor of appraisal outcomes. This integrated approach ensures that day-to-day behaviors, formal people processes, and improvement efforts reinforce one another rather

than compete for attention.

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