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Impact of Paradoxical Leader Behavior (PLB) on Employees' In-Role and Extra-Role Performance in the Hospitality Industry: Moderating Role of Psychological Capital

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Abstract

This study aims to examine the direct association between paradoxical leader behavior and the followers' in-role and extra-role performance in the hospitality industry. Furthermore, this study also analyzes the moderating role of psychological capital. Data was collected through a questionnaire from supervisors and their immediate frontline employees working in the hospitality industry (specifically operating in the twin cities of Rawalpindi and Islamabad, Pakistan). The results of multilevel path analysis demonstrated that paradoxical leader behavior (PLB) is positively associated with in-role and extra-role performance of frontline employees. Moreover, the followers' psychological capital moderates the relationship between PLB and the followers' in-role and extra-role performance, such that the relationship was determined to be stronger when the followers' psychological capital was higher. The findings of this study extend our understanding of the construct of PLB and how it is related with the followers' performance outcomes.

***Keywords*:** extra-role performance, in-role performance, paradoxical leader behavior, and psychological capital

Introduction

Leadership behavior has a critical impact on employee performance outcomes and remains a widely researched area within the domain of organizational behavior (López-Cabarcos et al., 2022). In the hospitality sector, employee performance plays a critical role in attaining competitive advantage (Ahakwa et al., 2021). The current advancements in technology have given rise to uncertainty and complexity in the hospitality sector which emphasize the need of paradoxical behavior (combining both task orientation and relationship orientation) among leaders (Khan et al., 2025).

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Paradoxical leader behavior involves engaging in seemingly contradictory yet complementary actions to address both organizational requirements and followers' needs at the same time and for an extended period (Zhang et al., 2015). Leaders who exhibit paradoxical behavior are able to lead people effectively even in an ambiguous and uncertain workplace environment and help employees to attain positive performance outcomes (Khan et al., 2025; Zhang & Liu, 2022). Paradoxical leadership approach enables leaders to strike a balance between implementing change and fostering innovation (Wei et al., 2024). Literature demonstrates that PLB helps followers to attain several positive performance outcomes (Backhaus et al., 2022; Batool et al., 2023; Madaan et al., 2025; Pearce & van Knippenberg, 2024; Ren & Yang, 2021).

Despite growing interest in paradoxical leadership, two prominent issues remain insufficiently addressed in the existing literature. Firstly, while PLB has been associated with various performance outcomes, the specific mechanisms through which it influences both in-role and extra-role performance, especially within the hospitality sector, are not yet clearly understood (Chen et al., 2024; Madaan et al., 2025). Secondly, the existing studies rarely consider how an individual follower's characteristics, such as psychological capital, interact with PLB to shape performance outcomes (Tan et al., 2024; Xu et al., 2025; Zhang et al., 2025).

The need for this study arises from the above empirical gaps. The aim is to better understand how PLB relates to multiple dimensions of performance and how this relationship may be contingent on the followers' psychological resources (Wang et al., 2024). This study, therefore, contributes by addressing a critical gap in leadership research, while also offering practical insights into performance management in dynamic service industries. Such a study is needed to advance theoretical and practical knowledge in two ways: (1) by examining how PLB influences both in-role and extra-role performance, and (2) by investigating whether followers' psychological capital strengthens or weakens this relationship. This dual focus helps unpack the interaction between leadership behavior and individual psychological resources in dynamic service contexts, such as the hospitality sector.

This study addresses the above aspects through the lens of social learning theory. Social interactions have an influence on individual behavior as leaders are required to amend their followers' behavior (Manz & Sims,

1981). The followers initially observe and then imitate their leader's behavior (Yang et al., 2021). Hence, it is argued in this study that through observing leaders' paradoxical behavior, the followers can constructively deal with the contradictions which may improve their performance outcomes (in-role and extra-role performance behavior) in the workplace.

This study also elaborates the relationship of the followers' characteristics and their behavioral responses towards paradoxical leadership. It is argued that the followers' psychological capital may help them cope with the behavioral complexity of paradoxical leaders and make them more receptive to such leaders' efforts to ensure performance. Psychological capital reflects individuals' positive psychological resources, such as confidence in their abilities, persistence in overcoming challenges, a hopeful and optimistic outlook, and the capacity to recover from setbacks which help them to stay motivated and effectively handle tasks and difficulties (Newman et al., 2014). Followers with positive psychological capital act more favorably toward PLB and embrace contradictions (Su & Hahn, 2025). So, this study provides a detailed analysis of PLB by incorporating both followers' and leaders' characteristics into a single model.

Literature Review

Paradoxical Leader Behavior and Followers' Extra-role and In-role Performance

Zhang et al. (2015) defined Paradoxical Leader Behavior as "leaders adopting seemingly competitive but interrelated behaviors, aiming to simultaneously accommodate organizational structure and employees' personalized competitive needs" (p. 6). Paradoxical leaders accentuate individual needs but also focus on organizational or structural demands to avoid disparities (Pan, 2021; Pearce et al., 2019). According to the paradox theory, these conflicting demands (fulfilling organizational and individual needs simultaneously) are highly challenging. Organizations come to face drastic consequences if leaders either ignore these conflicting demands completely or choose one over another (Smith & Lewis, 2011). Considering the paradox theory and Taoist yin-yang philosophy, Zhang et al. (2015) proposed that the construct of PLB has five dimensions:

1) Treating subordinates uniformly while allowing individualization.
2) Combining self-centeredness with other-centeredness.

3) Maintaining both distance and closeness.
4) Maintaining decision control while allowing autonomy.
5) Enforcing work requirements while allowing flexibility.

In the hospitality sector, leaders constantly face contradictory situations which require exceptionally innovative solutions (Pearce & van Knippenberg, 2024). On the one hand, organizational structures and standards in hospitality settings demand strict adherence to predefined procedures, service protocols, and performance targets. Leaders are expected to enforce work requirements rigorously to maintain brand consistency, meet service benchmarks, and ensure productivity. On the other hand, subordinates, particularly frontline service employees, often expect a more flexible and humane approach that allows for autonomy, creativity, and situational discretion in handling customers (Bechtoldt & Keller, 2024; She et al., 2020). Paradoxical leaders offer a unique solution to this dilemma by embracing both of these competing demands. For instance, they may set high standards and be highly demanding regarding task performance, ensuring that service delivery aligns with organizational expectations. Simultaneously, they may show tolerance for mistakes, offering exceptions when needed, and providing emotional and practical support to employees in high-pressure service contexts (Khan & Ullah, 2025). Moreover, paradoxical leaders recognize the importance of empowering their teams. They allow frontline employees to exercise control over specific service processes, granting them the autonomy necessary to respond creatively and efficiently to customer needs. This is particularly critical in hospitality, where customer interactions often demand personalized attention and swift judgment calls (Devi, 2024; Hall, 2022). By simultaneously maintaining control over core operational decisions and providing localized autonomy, paradoxical leaders foster a responsive and empowered workforce (Khan & Ullah, 2025).

According to the social learning theory, individuals' behaviors are significantly influenced by social interactions, particularly through the process of observational learning or role modeling. When the followers observe their leaders' actions, attitudes, and responses to complex situations, they tend to internalize and replicate these in their own work practices (Maisto et al., 1999; McLeod, 2011). In the hospitality sector which is characterized by frequent ambiguity, dynamic service

requirements, and continuous interaction with customers, such observational learning becomes critical for shaping follower behavior.

Employees' extra-role performance is defined as "discretionary behaviors of contact employees in serving customers that extend beyond formal role requirements" (Bettencourt & Brown, 1997, p. 40). While employees' in-role performance is defined as "actions specified and required by an employee's job description and thus mandated, appraised, and rewarded by the employing organization" (Janssen & Van Yperen, 2004, p. 369). Applying social learning theory to the hospitality sector, an industry characterized by dynamic customer demands, frequent uncertainty, and high service complexity, suggests that Paradoxical Leader Behavior can positively influence followers' performance outcomes. Specifically, when hospitality employees witness their leaders skillfully balancing competing priorities and modeling adaptive responses to ambiguous situations, they are more likely to emulate these behaviors (She et al., 2020). This leads to enhanced in-role performance. Moreover, as employees align with task expectations and extra-role performance, they engage in discretionary behaviors that support organizational effectiveness (Madaan et al., 2025).

Beyond role modeling, paradoxical leaders also create an environment that helps the followers to enhance their performance. They reinforce accountability by maintaining control over key decisions, which enhances the followers' task-related (in-role) output (Chen et al., 2021). Simultaneously, by offering flexibility and autonomy, they foster an environment where employees feel trusted and are more willing to engage in extra-role service behaviors (Kundi et al., 2023). This dual approach is especially relevant in the hospitality sector, where frontline employees need both clarity and discretion to provide high-quality, adaptive services (Rescalvo-Martin et al., 2021).

Thus, based on the above arguments, the following hypotheses are proposed:

H1: PLB will be positively associated with employees' in-role performance.

H2: PLB will be positively related to employees' extra-role performance.

Moderating Role of Followers' Psychological Capital

Literature showed that the effectiveness of a leader's paradoxical behavior is highly dependent on the extent to which its followers consider

such behaviors positive and then respond in a similar manner (Khan et al., 2025; Xu et al., 2025). Paradoxical leader meets both structural and followers' demands simultaneously which can create a negative influence on some followers (Aggarwal, 2024; Perry et al., 2010). Success or failure of PLB is dependent on the followers' psychological capital or personal capacity which helps them to make sense of paradoxes (Heminger et al., 2025; Liu et al., 2025).

Psychological capital "is a set of positive psychological resources that enable individuals to invest additional effort with greater confidence and successfully mobilize their cognitive resources to execute a particular task (efficacy); have more willpower and energy to generate multiple solutions to problems (hope); expect good things to happen to them and thus cope positively with problems, challenges, and adversity (optimism); and achieve success even when dealing with a variety of both favorable and adverse conditions (resilience)" (Newman et al., 2014, p. 6). It helps to explain the association between leadership and the followers' positive outcomes, including employee job satisfaction, commitment, and performance (Peethambaran & Naim, 2025; Sen et al., 2024; Yıldırım et al., 2024; Zhou et al., 2024).

The follower's psychological capital helps them to deal with complex and ambiguous situations without indulging in stress and anxiety (Luthans et al., 2007a; Margheritti et al., 2022). It is argued in this study that the followers with high psychological capital are better able to understand the complexity innate in PLB. Their confidence allows them to meet ambiguous expectations head on, while their hope and optimism help them to stay motivated and find meaning in challenging situations. Resilience enables them to cope with the stress that might otherwise arise from the shifting and sometimes contradictory nature of paradoxical leadership (Chong & Malakhova, 2025). Followers with high psychological capital accept PLB and try to model similar behavior by exhibiting enhanced in-role and extra-role performance.

From a theoretical standpoint, social learning theory (Bandura, 1977) offers a strong foundation to explain the moderating effect of followers' psychological capital. The theory emphasizes observational learning, where individuals acquire behaviors by observing role models. In the workplace, leaders serve as powerful models whose behavior influences followers' own behavioral patterns. However, the effectiveness of this observational

learning depends on the followers' internal readiness and their capacity to interpret and internalize the modeled behaviors. In this context, followers with high psychological capital are more cognitively and emotionally equipped to observe, interpret, and emulate the complex behaviors exhibited by paradoxical responses to paradoxical cues, translating into higher performance (Peethambaran & Naim, 2025). In organizational settings, followers who observe their leaders managing paradoxes are more likely to adopt similar approaches, enhancing their ability to engage in higher performance (Velasco & Wald, 2025). So, it is hypothesized that:

H3a: Followers' psychological capital moderates the positive relationship between PLB and followers' in-role performance, such that the relationship is more evident for followers with high levels of psychological capital than for those with low levels.

H3b: Followers' psychological capital moderates the positive relationship between PLB and followers' extra-role performance, such that the relationship is more evident for followers with high levels of psychological capital than for those with low levels.

Research Methodology

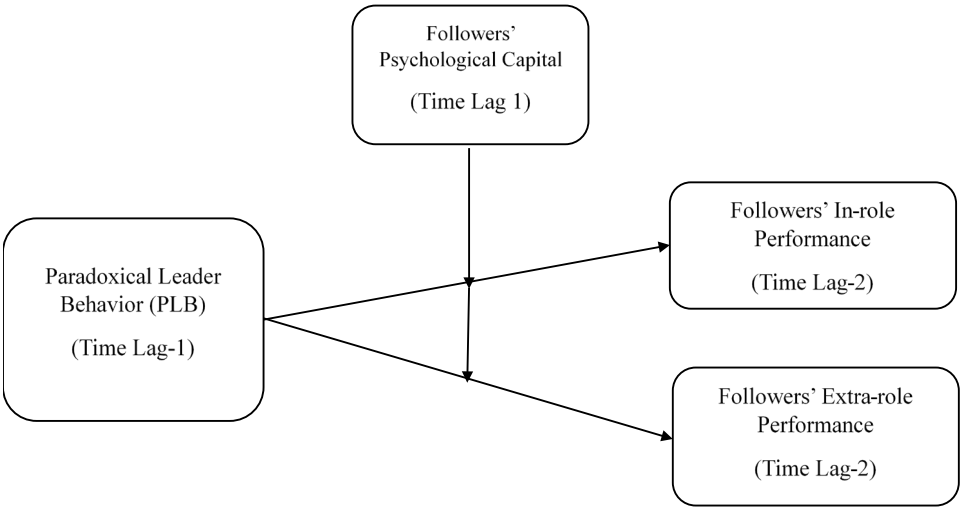
Data Collection and Sample Size

This study is quantitative as questionnaire was used for data collection. Data was collected from frontline employees working in hotels (operating in the twin cities of Rawalpindi and Islamabad, Pakistan) and their immediate supervisors. The hotel sector was specifically chosen because of its strong reliance on interpersonal relationships and delivery of services, which makes good leadership behavior crucial to employee performance. Frontline hotel employees usually deal with unclear, demanding, and conflicting service requirements that call for ongoing adjustment, emotional control, and tactful conduct (Abdou, 2025). Moreover, the hospitality sector in emerging economies like Pakistan is undergoing rapid transformation due to increased domestic tourism, globalization, and foreign investment (Rehman et al., 2023). This evolving landscape has intensified the demand for service excellence, placing frontline staff under greater pressure to meet both customer expectations and organizational goals. Consequently, leaders in this sector must demonstrate paradoxical skills (balancing task-orientation with relational support).

Convenience sampling technique was used for data collection. Data for the supervisors' paradoxical behavior (PLB) was collected from subordinates at time 1 and they were also asked to respond to questions about their own psychological capital and demographics (Form A). Supervisors were asked to rate subordinates' extra-role and in-role performance at time 2 (Form B). A gap of ten days was given to the participants between every time lag. This time interval is consistent with prior research, which suggests that a 1 to 2-week gap is sufficient to capture temporal effects without excessive participant attrition (Podsakoff et al., 2003).

Figure 1

Theoretical Framework



Sample size adequacy was determined by using G*Power software developed by Faul et al. (2009). They recommended default parameters, including medium effect size (0.15), α level (0.05), and high power (0.95). The priori power analysis indicated the sample size of 153 as adequate. The number of predictors was set at four based on the model structure, including one independent variable, one moderator, one interaction term (IDV × moderator), and one control variable. Although the primary focus was on the interaction between the independent variable and the moderator, control variables were included in the regression model to account for potential confounding effects, which justified the inclusion of all four predictors in the power analysis. A high-power level of 0.95 was chosen, rather than the

conventional 0.80, to reduce the risk of Type II errors. This is particularly important in behavioral research where effect size may be modest and where detecting interaction effects (such as moderation) often requires larger samples (Lakens, 2022). Achieving a higher statistical power strengthens the reliability of hypothesis testing and increases the likelihood of detecting meaningful effects. A post hoc analysis was also performed to assess the sampling adequacy for 400 respondents. The post hoc power analysis for the 400 sample size generated a high power of 1, much higher than the recommended value of 0.80.

Measures

Paradoxical Leader Behavior (PLB) was measured using a 22-item scale developed by Zhang and Han (2019). *Follower's psychological capital* was measured with a 24-item scale developed by Luthans and Youssef-Morgan (2017). *Follower's in-role performance* was measured using a 7-item scale developed by Scott and Bruce (1994). Lastly, *followers' extra-role performance* was measured using a 5-item scale developed by Bettencourt and Brown (1997).

Results

Table 1

Demographics

Variables		Supervisor	Subordinate
Gender	Male	92%	69%
	Female	8%	31%
Age	25-30	-	30%
	31-34	38%	51%
	35-40	55%	14%
	41-44	5%	4%
	45-50	2%	1%
Experience with Current Organization	Less than 5 Years	16%	67%
	6-10 Years	42%	31%
	11-15 Years	39%	2%
	More than 15 Years	3%	-
	Less than 1 Year		2%

Variables		Supervisor	Subordinate
Subordinate's Tenure with Current Supervisor	1-2 Years		22%
	3-5 Years		73%
	6-10 Years		3%
Hotel Size (No. of Employees)	Less than 25	28%	
	26-50	32%	
	51-75	31%	
	More than 75	9%	
Average No. of Rooms in Hostel	58		

The demographic analysis demonstrates that the majority of supervisors and frontline employees were male and had an experience of less than 15 years. Moreover, the majority of supervisors were in the age group of 35-40 years, while the employees were in the age group of 31-34 years. The results also demonstrated that only 9% of the hotels included in the sample had more than 75 employees.

Table 2

Reliability Analysis

Variable	No. of Items	Reliability
PLB	22	0.878
Psychological Capital	24	0.935
Follower In-role	07	0.916
Extra-role Service	05	0.824

Reliability analysis is used to determine the consistency and validity of the data. A Cronbach's alpha value greater than .07 shows that the measures used for analysis are highly reliable. Table 2 shows alpha values for all variables as greater than 0.7, which means that the data is highly reliable.

Table 3

Factor Analysis

First- or Second-order Construct	Factor Loading	CR	AVE	α
PLB		0.952	0.761	0.91
Uniformity/individualization(D1)	0.856	0.911	0.762	0.943
PLB1	0.812			
PLB2	0.792			
PLB3	0.886			

First- or Second-order Construct	Factor Loading	CR	AVE	α
PLB4	0.895			
PLB5	0.882			
Self-centeredness/other-centeredness(D2)	0.876	0.933	0.711	0.914
PLB6	0.766			
PLB7	0.911			
PLB8	0.845			
PLB9	0.822			
PLB10	0.867			
Decision control/autonomy(D3)	0.921	0.924	0.791	0.879
PLB11	0.813			
PLB12	0.865			
PLB13	0.876			
PLB14	0.856			
Enforcing work/flexibility(D4)	0.932	0.911	0.782	0.841
PLB15	0.775			
PLB16	0.861			
PLB17	0.892			
PLB18	0.801			
Distance/closeness(D5)	0.988	0.951	0.731	0.844
PLB19	0.767			
PLB20	0.882			
PLB21	0.991			
PLB22	0.882			
Follower's In-role Performance	0.932	0.937	0.766	0.982
IRP1	0.884			
IRP2	0.852			
IRP3	0.828			
IRP4	0.736			
IRP5	0.877			
IRP6	0.869			
IRP7	0.800			
Follower's Extra-role Performance	0.982	0.971	0.754	0.888
ERP1	0.739			
ERP2	0.820			
ERP3	0.817			
ERP4	0.886			
ERP5	0.981			
Follower's Psychological Capital	0.942	0.88	0.700	0.921
PC1	0.890			
PC2	0.732			

First- or Second-order Construct	Factor Loading	CR	AVE	α
PC3	0.885			
PC4	0.899			
PC5	0.911			
PC6	0.801			
PC7	0.817			
PC8	0.976			
PC9	0.851			
PC10	0.900			
PC11	0.822			
PC12	0.716			
PC13	0.885			
PC14	0.847			
PC15	0.790			
PC16	0.812			
PC17	0.974			
PC18	0.855			
PC19	0.810			
PC20	0.701			
PC21	0.982			
PC22	0.819			

Confirmatory factor analysis (CFA) was performed using Mplus Editor 7.0 to assess the construct validity of the measurement model. A multi-factor model was specified, aligning with the theoretical framework of the study variables. The results indicated that items loaded significantly on their respective intended factors, with no substantial cross-loadings observed. The model fit indices suggested a good fit: CFI = 0.942, TLI = 0.925, RMSEA = 0.047, Chi-square (χ^2) = 1134.71, Degrees of freedom (*df*) = 534, χ^2/df ratio = 2.12 (acceptable if < 3), and SRMR = 0.068, all within acceptable thresholds (Hu & Bentler, 1999). These results support the construct distinctiveness among the latent variables and confirm that the model holds adequate discriminant validity.

Table 4

Correlation Analysis

Variable	1	2	3	4	5	6	7	8	9	10	11	12
1. Supervisor Gender (CV)	1											
2. Supervisor Age (CV)	0.457**	1										
3. Supervisor Tenure (CV)	0.351**	0.481**	1									
4. Subordinate Gender (CV)	0.073	0.022	0.031	1								
5. Subordinate Age	0.002	0.044	0.043	0.471**	1							
6. Subordinate Tenure	0.121*	0.057	0.045	0.022	0.531**	1						
7. Hotel Size	0.327**	0.079	0.081	0.0217	0.074	0.124	1					
8. Hotel Rooms	0.262*	0.030	0.094	0.009	0.011	0.090	0.452**	1				
9. Paradoxical Leader Behavior	0.512**	0.432**	0.421**	0.495**	0. 456	0.543**	0.115	0.228**	1			
10. Psychological Capital	0.451**	0.456**	0.157*	0.543**	0.564	0.453**	0.045	0.016	0.578**	1		
11. Employee In-role performance	0.472**	0.277**	0.568**	0.374**	0.432**	0.354**	0.1123*	0.179*	0.549**	0.452**	1	
12. Employee Extra-role Service	0.485**	0.365**	0.473**	0.229**	0.216**	0.427**	0.126*	0.056	0.523**	0.482**	0.556**	1

Common Method Bias (CMB)

To address concerns related to common method variance (CMV), Harman's single-factor test was performed. All items were subjected to an unrotated exploratory factor analysis. The results showed that the first factor accounted for only 31.2% of the variance, well below the 50% threshold, suggesting that CMV is unlikely to be a major issue. Additionally, a one-factor CFA model was tested and showed poor fit ($\chi^2 = 2785.49$, df = 560, CFI = 0.612, TLI = 0.571, RMSEA = 0.102, SRMR = 0.119), significantly worse than the multi-factor model. This further confirmed the absence of serious Common Method Bias in the data.

Convergent Validity

Convergent validity assesses whether items intended to measure the same construct are indeed related. A common threshold is that correlations between the dimensions or factors within the same construct should be greater than 0.50 (Fornell & Larcker, 1981). The correlation matrix (Table 4) indicates that the various constructs, including PLB, psychological capital, employee in-role performance, and extra-role service, are positively and significantly correlated with each other, with values ranging from:

- PLB and In-role Performance: $r = 0.549$,
- PLB and Extra-role Service: $r = 0.523$,
- PLB and Psychological Capital: $r = 0.578$,
- Psychological Capital and In-role Performance: $r = 0.452$,
- Psychological Capital and Extra-role Service: $r = 0.482$.

These values meet the recommended threshold, supporting acceptable convergent validity among the theoretical constructs.

Discriminant Validity

Discriminant validity assesses whether distinct constructs are indeed unrelated or weakly related. According to established guidelines, inter-construct correlations between different constructs should generally be below 0.50 to establish discriminant validity (Kline, 2018).

In the current data, however, some correlations between distinct constructs are slightly above the 0.50 threshold, such as

- PLB and Psychological Capital (r = 0.578),
- PLB and In-role Performance (r = 0.549),
- PLB and Extra-role Performance (r = 0.523).

These values indicate moderate correlations, suggesting some conceptual overlap among constructs.

Table 5

Multilevel Path Analysis

Variables	In-role Performance				Extra-role			
	γ	*S.E*	*t*	R^2	γ	*S.E*	*t*	R^2
Paradoxical Leader Behaviors (PLB)	0.480**	0.151	2.75	0.562**	0.672**	0.161	4.29	0.556**
Psychological Capital	0.261*	0.113	2.24		0.031	0.163	0.18	
PLB x PSY	0.093*	0.042	1.97		0.084	0.042	0.57	

Note. *p< .05, **p< .01

Paradoxical Leader Behavior was found to be positively associated with followers' in-role performance (γ = 0.480, p < .01), thus supporting Hypothesis 1. In the support of Hypothesis 2, a positive association was also found between Paradoxical Leader Behaviors and followers' extra-role performance (γ = 0.672, p < .01). As for conditional effects, the interaction between PLB and followers' psychological capital was found to be significant for followers' in-role performance behaviors (γ = 0.093, p < .05). However, the interaction between PLB and followers' psychological capital was also significant for followers' extra-role performance (γ= 0. 084, p = <.05). Thus, Hypothesis H3a and H3b are accepted.

Discussion

The findings of this study provide empirical support for the significant and positive relationship between paradoxical leader behavior (PLB) and followers' in-role and extra-role performance in the hospitality sector. This suggests that paradoxical leadership which involves embracing and balancing contradictory behaviors, such as control and autonomy, uniformity and individualization, and closeness and distance is highly effective in dynamic service environments (Smith & Lewis, 2011; Zhang et

al., 2015). These results are consistent with the central tenets of the social learning theory (Bandura, 1977), which argues that individuals learn behaviors by observing their role models. In this context, frontline employees observe their leaders managing competing demands and are likely to internalize these adaptive behaviors, leading to enhanced performance outcomes.

The positive influence of PLB on in-role performance reinforces previous research suggesting that leaders who provide both structure and flexibility enhance employees' task execution and accountability (Pearce & van Knippenberg, 2024; She et al., 2020). Employees are more likely to fulfill formal job responsibilities effectively when leaders clearly communicate expectations, while allowing sufficient autonomy for task completion. Likewise, the effect on extra-role performance indicates that paradoxical leaders foster a work environment where employees feel safe and empowered to go beyond their formal duties, engaging in customer-focused behaviors and other discretionary efforts that support organizational success (Bechtoldt & Keller, 2024).

Importantly, the study highlights the moderating role of followers' psychological capital (PsyCap), which includes hope, efficacy, resilience, and optimism (Luthans et al., 2007b). The findings suggest that employees with greater psychological capital are more psychologically equipped to interpret and adapt to paradoxical leadership. Such employees can handle ambiguity more effectively and are more likely to translate complex leadership signals into positive behavioral outcomes. This finding supports recent studies which demonstrated that employees' internal psychological resources significantly influence how they perceive and respond to complex or non-traditional leadership behaviors (Avey et al., 2011).

Taken together, these findings not only validate the relevance of PLB in the hospitality sector but also expand the existing leadership theory by integrating the role of follower characteristics. While prior studies primarily focused on leaders' behavior, this research underscores the importance of considering the interaction between leaders' behavior and followers' capacity when examining performance outcomes (Pan, 2021). It suggests that paradoxical leadership is most effective when followers are psychologically resilient and motivated, thus reinforcing the contingent nature of leadership effectiveness.

Conclusion

This study demonstrates a positive and significant relationship between paradoxical leader behavior (PLB) and followers' in-role and extra-role performance. Paradoxical leadership, marked by the ability to simultaneously enforce work requirements and provide autonomy, maintain closeness and distance, and treat subordinates uniformly while individualizing their needs, is particularly relevant in complex and dynamic service environments, such as the hotel industry. In such settings, leaders constantly manage competing demands and PLB offers a flexible yet structured approach that positively influences employee performance.

Grounded in the social learning theory, the findings suggest that frontline employees learn and model leader behaviors through observation and social interaction. When leaders manage paradoxes effectively, they serve as role models, encouraging employees to adopt similar adaptive behaviors, thereby enhancing their task performance (in-role) and going beyond formal job descriptions (extra-role).

A key contribution of this study is the identification of the followers' psychological capital as a full moderator in the relationship between PLB and performance outcomes. Employees with high psychological capital (marked by self-efficacy, optimism, hope, and resilience) are more capable of interpreting and responding positively to paradoxical leadership. Their positive psychological resources enable them to remain motivated, persist through ambiguity, and internalize constructive leader behaviors, leading to enhanced performance.

These findings underscore that the effectiveness of paradoxical leadership is not uniform across all followers but is contingent upon their psychological capacity to make sense of and mirror complex leader behaviors. Organizations should, therefore, prioritize the development and assessment of psychological capital among employees when adopting leadership strategies that rely on paradoxical approaches.

Theoretical Implications

This study offers several theoretical implications based on its findings. Firstly, it establishes a clear and positive link between paradoxical leader behavior (PLB) and followers' in-role and extra-role performance within the hospitality industry. Given the dynamic and unpredictable nature of the service work in this sector, the ability of leaders to balance competing

demands, such as control versus autonomy and uniform treatment versus individualization, emerges as a critical leadership competency. The findings highlight PLB as a suitable and impactful leadership style in settings where both flexibility and structure are necessary to meet performance expectations.

Secondly, this study emphasizes that the effectiveness of paradoxical leadership depends on the psychological capacity of the followers. Specifically, followers with greater psychological capital are better equipped to understand, accept, and respond constructively to paradoxical behaviors displayed by their leaders. This reinforces the idea that leadership outcomes are not only shaped by what leaders do but also by the internal resources of those being led.

Thirdly, by incorporating both leaders' behavior and followers' psychological resources in a single framework, this study provides a more integrated understanding of how leadership influences employee performance. It illustrates that the dynamics between a leader's complex behavior and a follower's psychological state play a critical role in driving effective performance outcomes.

Fourthly and lastly, this study extends the theoretical conversation around behavioral complexity in leadership by demonstrating that followers' psychological capital enhances their ability to cope with conflicting demands. The results point toward the need for leadership theories to account not just for behavioral styles but also for individual-level differences among followers that determine how such behaviors are interpreted and acted upon.

Practical Implications

The success of a hotel is closely tied to the capacity of its employees to surpass their official duties and provide guests with exceptional and memorable experiences. Thus, hospitality managers should actively cultivate a work environment that supports the growth of service beyond formal expectations.

The current study found that PLB has a direct and positive effect on in-role and extra-role performance of employees. Secondly, the findings of the current study have significant practical implications since hiring supervisors with a greater tendency of showing paradoxical behaviors is more critical than ever before in today's complex and ever evolving hospitality sector.

Hence, this study helps hotel managers to better understand how to deal with increasing uncertainties when operating in novel national and international contexts.

Further, the results showed that employees' psychological capital acts as a moderator in the main relationship. Hotels can, thus, use employees' psychological capital to improve their intention to become involved in a continuous improvement process. Organizations can also promote employees' in-role and extra-role performance through leaders' paradoxical behavior. This study suggests that PLB influences some employees who seek to improve themselves and the organization to provide better services.

It is, therefore, recommended that managers should establish mentoring or training programs that assume the presence of a PLB style which can be learned. A mentoring program with periodic meetings could train frontline employees to understand and face the paradoxes of hotel services. Further, HR departments can plan training programs based on role-play or simulation of paradoxical service situations to help supervisors and frontline employees assimilate and integrate paradoxical thinking.

Limitations and Future Directions

This study was based on a small sample size due to time constraints and limited resources. However, the findings are still significant. Despite this fact, to reinforce the findings of this study, a larger sample size from all over the country or even from other developing countries may be brought under investigation. Moreover, the use of convenience sampling limits the generalizability of the results, as participants were selected based on ease of access rather than random selection. Future studies should consider more rigorous sampling techniques to enhance external validity. Longitudinal studies can also be conducted to understand the impact of PLB more clearly. This would help to study the changes in the attitude of employees toward their organizations over time and with changing dynamics.

Also, though there is considerable support for paradoxical behaviors in literature to be effective in terms of influencing followers' performance, only a limited number of studies consider process models that can explain such an effect. It is suggested that future researchers introduce processes involving variables, such as LMX, organizational commitment, and satisfaction with supervisors, to explain the favorable impact of Paradoxical Leader Behaviors over followers' outcomes.

Conflict of Interest

The authors of the manuscript have no financial or non-financial conflict of interest in the subject matter or materials discussed in this manuscript.

Data Availability Statement

The data associated with this research will be provided by corresponding author upon reasonable request.

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