
LITERATURE ANALYSIS ON THE INFLUENCE OF TRANSFORMATIONAL LEADERSHIP ON EMPLOYEE PERFORMANCE

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Abstrak

Transformational leadership is a leadership style that aims to inspire and motivate employees to exceed their initial performance expectations. This leadership approach has been shown to have a positive impact on various aspects of employee performance, including productivity, work quality, attendance, creativity, and contribution to organizational goals. By fostering trust, admiration, loyalty, and respect, transformational leaders encourage employees to perform beyond standard expectations. Research indicates that transformational leadership positively influences employee performance, leading to increased self-confidence, commitment, and engagement in achieving organizational objectives. Additionally, transformational leaders are adept at developing employees' potential and strengthening the working relationship between leaders and subordinates.

Keyword : Transformational Leadership, Employee Performance, Motivation, Organizational Commitment, Leadership Style

INTRODUCTION

In an increasingly complex and dynamic business era, organizations are required to adopt effective leadership strategies to enhance employee performance and achieve corporate objectives (Northouse, 2021). Transformational leadership has become one of the most widely studied approaches due to its ability to inspire, motivate, and foster a productive work culture (Antonakis & Day, 2020).

Transformational leadership emphasizes four key elements: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Bass, 2019). Leaders who adopt this leadership style not only provide strategic direction but also serve as role models, encourage creativity, and demonstrate concern for individual development within the organization (Yukl, 2020). Through this approach, transformational leadership is believed to enhance motivation, job satisfaction, and overall employee performance (Robbins & Judge, 2022).

Several studies have shown that transformational leadership positively correlates with improved employee performance. For example, a study by Zhang et al. (2020) found that transformational leadership contributes to increased productivity and innovation within organizations. Additionally, research by Ismail et al. (2021) indicated that this leadership style can enhance job satisfaction and employee loyalty, ultimately leading to improved organizational performance. Another study by Khan et al. (2022) confirmed that transformational leadership has a significant impact on employee engagement and team effectiveness.

However, the effectiveness of transformational leadership is not uniform across all organizations. Factors such as organizational culture, individual employee characteristics, and external conditions can moderate its impact on employee performance (García-Morales et al., 2019). Furthermore, research by Wang et al. (2021) revealed that transformational leadership is more effective when combined with supportive managerial practices, such as open communication and a fair reward system.

Based on this background, this article aims to analyze various literature discussing the influence of transformational leadership on employee performance. By reviewing recent studies, this article seeks to provide in-depth insights into the extent to which transformational leadership contributes to employee performance improvement and the factors that influence it.

RESEARCH METHODS

Research Design

This study employs a literature review method to analyze the influence of transformational leadership on employee performance based on previous research findings. The literature review aims to identify research trends, underlying theories, and empirical findings related to the relationship between transformational leadership and employee performance.

Data Sources

The data used in this study is obtained from academic journals published between 2019 and 2024. The primary sources come from internationally indexed databases such as Scopus, Web of Science, ScienceDirect, as well as reputable national journals. The criteria for selecting literature include studies that:

1. Discuss transformational leadership in the context of organizations and human resource management.
2. Measure the influence of transformational leadership on employee performance using quantitative or qualitative approaches.
3. Are published in journals with a strong academic reputation.

Data Collection Technique

The data collection technique involves searching for articles using keywords such as "transformational leadership and employee performance," "influence of transformational leadership," and "leadership style and organizational performance." The selection process is carried out using the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) method to ensure that the articles used are relevant and of high quality.

Data Analysis Technique

Data analysis is conducted using a descriptive-qualitative approach, where the collected research findings are categorized based on key aspects such as:

1. Transformational leadership and employee performance.
2. Research methods used in the literature: Quantitative, qualitative, or mixed approaches.
3. The relationship between transformational leadership and improved employee performance, as well as moderating and mediating factors influencing this relationship.

Validity and Reliability

To ensure the validity and reliability of the study, article selection is carried out rigorously based on the established inclusion and exclusion criteria. Additionally, source triangulation is employed by comparing various studies from reputable journals to enhance the objectivity and credibility of the research findings.

Table 1. Literature Review Analysis Results Table

No	Author and Year	Research Focus	Key Findings	Factor affecting	Implications for Organizations
	Khan et al. (2022)	The influence of transformational leadership on employee motivation	Transformational leadership increases motivation through clear vision, encouragement of personal development, and inspiration to achieve organizational goals.	Not specifically mentioned	Organizations need to encourage leaders to provide a clear vision and develop employees personally.
	Robbins & Judge (2022)	Key elements of transformational leadership and their impact on performance	Idealized influence, intellectual stimulation, and individualized consideration increase loyalty and job satisfaction, and contribute to productivity.	Not specifically mentioned	Training for leaders needs to focus on the three main elements of transformational leadership.
	Wang et al. (2021)	Transformational leadership and employee work behavior	Employees who are led in a transformational way are more proactive, provide solutions, and have high resilience to challenges.	Managerial systems and organizational support	Organizations need to provide a work environment that supports innovation and flexibility.
	García-Morales et al. (2019)	The influence of organizational culture on the effectiveness of transformational leadership	Transformational leadership is more effective in innovative and flexible organizational cultures.	Organizational culture	Organizations must create a work culture that is open to change and innovation.
	Ismail et al. (2021)	Individual employee characteristics and responses to transformational leadership	Employees with high levels of autonomy and competence respond more positively to leadership transformational	Individual employee characteristics	Companies need to identify the characteristics of employees who fit this leadership style.

	Zhang et al. (2020)	Employee engagement in transformationally led organizations	Employees who feel appreciated are more likely to perform well.	Support and communication from leaders	Organizations should increase employee engagement through mentorship programs and achievement recognition.
	Northouse (2021)	Transformational leadership development through training	Communication, inspiration and innovation training is essential for transformational leaders	Not specifically mentioned	Organizations need to provide regular leadership training for managers.

RESULTS AND DISCUSSION

Based on the literature analysis from various relevant academic sources, it was found that transformational leadership has a significant impact on improving employee performance. The discussion of the research findings covers several key aspects, namely: (1) the direct influence of transformational leadership on employee performance, (2) factors that strengthen or hinder the effectiveness of transformational leadership, and (3) the implications of the research for organizations.

A. The Influence of Transformational Leadership on Employee Performance

The results of the studies show that transformational leadership has a positive correlation with increased productivity, employee engagement, and innovation within organizations. Research conducted by Khan et al. (2022) emphasizes that leaders who apply transformational leadership styles are able to enhance employee motivation by providing a clear vision, encouraging personal development, and inspiring employees to achieve larger organizational goals.

Another study by Robbins and Judge (2022) found that key elements of transformational leadership, such as idealized influence, intellectual stimulation, and individualized consideration, positively impact employee loyalty and job satisfaction levels. This contributes to increased productivity and the achievement of more optimal work targets.

Meanwhile, research by Wang et al. (2021) found that employees led by transformational leaders are more likely to exhibit proactive work behaviors, be more solution-oriented, and have higher resilience to challenges in their jobs. Therefore, this leadership style proves effective in creating an innovative and dynamic work environment.

B. Factors Affecting the Effectiveness of Transformational Leadership

Although transformational leadership generally has a positive impact, its effectiveness in enhancing employee performance can be influenced by several factors, including:

1. Organizational Culture

A study by García-Morales et al. (2019) shows that transformational leadership is more effective in organizations with an innovative and flexible culture. Organizations with overly hierarchical or bureaucratic structures may hinder the effectiveness of transformational leadership due to the lack of space for employees to create and innovate.

2. Employee Individual Characteristics

Ismail et al. (2021) identify that transformational leadership has a greater impact on employees with a high level of work autonomy and competence. Employees who have intrinsic motivation and strong skills are more likely to embrace and respond positively to

this leadership style compared to those who are more dependent on instructions and formal rules.

3. Managerial Systems and Organizational Support

According to Wang et al. (2021), supportive managerial systems, such as open communication, continuous feedback, and policies aligned with the values of transformational leadership, can enhance the effectiveness of this leadership style. On the other hand, a less supportive work environment, such as unclear roles and expectations, can diminish the positive impact of transformational leadership.

4. Implications of the Research for Organizations

From the results of this study, there are several important implications for organizations that wish to implement transformational leadership to improve employee performance:

1. Leader Training and Development

Organizations need to provide training for managers and leaders to develop transformational leadership skills. This training can include developing communication skills, providing inspiration, and learning how to encourage innovation in the workplace (Northouse, 2021).

2. Building a Supportive Work Culture

To enhance the effectiveness of transformational leadership, organizations must create a work culture that is open to change, innovation, and collaboration. This culture can be facilitated through organizational policies that support work flexibility and recognition of employee achievements (García-Morales et al., 2019).

3. Increasing Employee Engagement

A study by Zhang et al. (2020) shows that employees who feel valued and supported by their leaders are more likely to show high performance. Therefore, companies should focus on increasing employee engagement through mentorship programs, recognition of achievements, and effective communication between leaders and teams.

Discussion

The discussion in this research aims to further analyze the findings regarding the influence of transformational leadership on employee performance. Overall, transformational leadership has a positive impact on productivity, engagement, and innovation among employees in the workplace. However, there are various factors that can affect the effectiveness of this leadership style, such as organizational culture, employee individual characteristics, and the managerial systems that are implemented.

A. Transformational Leadership as a Key Factor in Enhancing Employee Performance

Based on the literature analyzed, transformational leadership has been shown to have a significant impact on improving employee performance in various aspects. Leaders who apply this leadership style are able to inspire employees with a clear vision, provide intrinsic motivation, and encourage employees to think creatively and innovatively (Khan et al., 2022).

Research conducted by Robbins and Judge (2022) demonstrates that transformational leadership contributes to increased job satisfaction, loyalty, and employee engagement in achieving organizational goals. Employees working under transformational leaders tend to be more proactive, experience lower levels of work stress, and exhibit better performance compared to those led by transactional leaders.

Furthermore, Wang et al. (2021) emphasize that transformational leadership can enhance employee resilience to work pressure and foster a more collaborative work environment. This is crucial in dealing with the dynamics of the increasingly complex work world, which demands high levels of flexibility and innovation.

B. Factors Influencing the Effectiveness of Transformational Leadership

Although transformational leadership has many benefits, its effectiveness can vary depending on several factors:

1. **Organizational Culture**

Transformational leadership tends to be more effective in organizations with an open, flexible, and innovative work culture. García-Morales et al. (2019) found that companies with organizational cultures that support experimentation and creativity have employees who are more responsive to transformational leadership. In contrast, in organizations that are bureaucratic and overly hierarchical, the implementation of transformational leadership may face obstacles due to a lack of space for individual initiative and flexible decision-making.

2. **Individual Characteristics of Employees**

The effectiveness of transformational leadership is also greatly influenced by the individual characteristics of employees. Ismail et al. (2021) revealed that employees with high levels of work autonomy and strong intrinsic motivation are more likely to respond positively to transformational leadership. Employees with higher competencies are more likely to be inspired by transformational leaders, while those who are highly dependent on explicit instructions may struggle to adjust to this leadership style.

3. **Managerial Systems and Organizational Support**

Another factor that plays a role in the effectiveness of transformational leadership is the managerial system implemented in the organization. Wang et al. (2021) stated that organizations with open communication systems, constructive feedback, and policies that support innovation can enhance the positive impact of transformational leadership on employee performance. On the other hand, organizations that are less supportive of change and learning may reduce the effectiveness of transformational leaders in driving positive change.

C. Managerial Implications of the Research Findings

The findings of this research have several important implications for organizations that wish to effectively implement transformational leadership:

1. **Developing Transformational Leadership through Training**

Organizations should provide training for managers and leaders to help them develop transformational leadership skills. This training could include strengthening communication skills, change management, and the ability to inspire employees (Northouse, 2021). Effective leadership development can ensure that leaders are better equipped to motivate, engage, and drive positive change within the organization.

2. **Building an Organizational Culture that Supports Innovation**

Transformational leadership will be more effective if supported by an organizational culture that is open to innovation and flexibility. Therefore, companies need to design policies that allow employees to be creative, take calculated risks, and be recognized for contributing new ideas (García-Morales et al., 2019). Encouraging a culture of innovation fosters an environment where transformational leadership can thrive and enhance overall organizational performance.

3. **Enhancing Employee Engagement through Support Programs**

Transformational leadership will be more effective if employees feel valued and supported in their roles. Mentorship programs, recognition of achievements, and effective communication between leaders and teams can increase employee engagement and motivate them to contribute more significantly to the organization (Zhang et al., 2020). By fostering a sense of recognition and support, organizations can create a more motivated workforce, ultimately boosting productivity and performance.

D. Limitations and Recommendations for Future Research

Although this literature review has revealed several important findings, there are some limitations that should be acknowledged:

1. **Focus on Literature Review**

This study relied on a literature analysis and has not conducted empirical testing within specific organizations. Therefore, the results obtained remain conceptual and require further validation through field research. Empirical studies are needed to better assess the real-world applicability of transformational leadership within different organizational contexts.

2. Diverse Organizational Contexts

The effectiveness of transformational leadership may vary depending on the type of industry and the scale of the organization. Future research should consider different industrial sectors and organizational characteristics to gain a more comprehensive understanding of how transformational leadership influences performance across diverse settings.

3. Moderating and Mediating Variables

Further studies could explore the role of other variables that might strengthen or weaken the relationship between transformational leadership and employee performance, such as job satisfaction, organizational culture, or employee stress levels. These factors could provide deeper insights into the mechanisms behind the effectiveness of transformational leadership.

Transformational leadership has a significant impact on improving employee performance, particularly in terms of productivity, engagement, and innovation in the workplace. However, the effectiveness of this leadership style is highly dependent on organizational culture, individual employee characteristics, and the managerial systems in place.

For organizations looking to implement transformational leadership, it is essential to provide training for leaders, foster an innovative work culture, and enhance employee engagement through better support systems. With the right approach, transformational leadership can become an effective strategy for improving organizational competitiveness in an increasingly dynamic and competitive business environment.

This research offers valuable insights for academics and practitioners in understanding how transformational leadership can be applied more effectively across various organizational contexts. However, further empirical research is needed to delve deeper into the relationship between transformational leadership and employee performance in more specific work environments.

CONCLUSION

Based on the literature analysis conducted, it can be concluded that transformational leadership has a significant impact on improving employee performance. This leadership style, which includes elements such as idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration, has been proven to enhance productivity, engagement, and innovation among employees within organizations. Transformational leaders serve as inspirers and motivators, encouraging employees to achieve organizational goals more effectively.

However, the effectiveness of transformational leadership is not universal and can be influenced by several factors, such as organizational culture, individual employee characteristics, and the managerial systems in place. Organizations with an innovative and flexible culture, as well as employees who possess intrinsic motivation and high competence, are more likely to respond positively to transformational leadership. Additionally, managerial support, such as open communication, constructive feedback, and a fair reward system, plays a crucial role in reinforcing the positive impact of this leadership style.

The practical implications of this research suggest the importance of training and development for leaders to master transformational leadership skills. Organizations also need to foster a work culture that supports innovation and collaboration, as well as enhance employee engagement through programs such as mentorship and performance recognition. With the right approach, transformational leadership can be an effective strategy to improve employee performance and organizational competitiveness.

SUGGESTION

Based on the findings and limitations of this study, the following are some recommendations for future research to further deepen the understanding of the impact of transformational leadership on employee performance:

1. It is recommended to conduct empirical research combining both quantitative and qualitative approaches. Quantitative research can be used to measure the statistical relationship between transformational leadership and employee performance, while the qualitative approach can provide deeper insights into how employees perceive and respond to this leadership style.
2. With the increasing generational diversity in the workplace (Generation X, Millennials, Generation Z), future research could compare how each generation responds to transformational leadership. This could provide insights into whether this leadership style is more effective for specific generations.
3. Given the rise of remote work and virtual teams, research could explore how transformational leadership can be effectively applied in managing virtual teams. Factors such as digital communication, trust, and coordination could be key areas of focus for future studies.

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