

Pengaruh Kepemimpinan Transformasional Terhadap Kinerja Organisasi: Tinjauan Pustaka di Berbagai Sektor

The Effect of Transformational Leadership on Performance of Organizations: A Literature Review Across Different Sectors

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Abstrak

Di banyak sektor organisasi, kepemimpinan transformasional telah diakui sebagai gaya kepemimpinan yang sangat mempengaruhi kinerja pekerja dan kepuasan kerja. Tujuan dari tinjauan literatur ini adalah untuk mengeksplorasi bagaimana kepemimpinan transformasional berdampak pada kinerja organisasi. Penelitian ini menunjukkan bahwa terdapat hubungan positif antara kinerja karyawan dan kepemimpinan transformasional, berdasarkan tinjauan studi yang dilakukan dalam konteks dan sektor berbeda. Selain itu, tinjauan ini menyoroti aspek kinerja organisasi yang dipengaruhi oleh kepemimpinan transformasional. Temuan-temuan ini mengkonfirmasi potensi transformatif kepemimpinan transformasional dalam berbagai lingkungan organisasi dan memberikan wawasan bagi para pemimpin yang ingin menciptakan lingkungan kerja yang produktif.

Abstract

In many organizational sectors, transformational leadership has been recognized as a leadership style that greatly affects worker performance and job satisfaction. The objective of this review of the literature is to explore how transformational leadership impacts organizational performance. This research shows that there is a positive relationship between employee performance and transformative leadership, using a review of studies undertaken in different contexts and sectors. Additionally, this review highlights aspects of organizational performance that are influenced by transformational leadership. These findings confirm the transformative potential of transformational leadership in a variety of organizational settings and provide insight for leaders aiming to foster productive work environments.

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1. Introduction

In the era of globalization and increasingly fierce business competition, leadership effectiveness in organizations is the main key to achieving success. Leadership has many types, such as transactional leadership, servant leadership, transformational leadership, and many more. However, transformational leadership is believed to be one of the leadership styles that has the most influence on the performance of an organization, and it is often known that transformational leadership inspires people to go above and beyond their work expectations by providing them with intellectual stimulation, individual attention, and inspiration (Syarif et al., 2017; Arifudin, 2020). Furthermore, researchers chose to examine the influence of transformational leadership on organizational performance because this type of leadership does not only focus on conditional transactions or exchanges but rather on the transformation of employee values, norms and work attitudes to achieve

higher goals (Nasir et al., 2022; Pujiyanto, 2022). The ability to encourage and convince people to achieve remarkable outcomes is the essence of transformational leadership, which has drawn a lot of attention from management researchers and practitioners alike (Zhao & Huang, 2022). This leadership is not only limited to the individual level, but also has broad implications for overall organizational performance (Le & Le, 2021).

Many studies have shown the noteworthy influence of transformational leadership on a variety of organizational performance dimensions, such as work discipline, employee work performance, job satisfaction, and innovation. For example, according to research by (Chan et al., 2019) in the manufacturing industry in Malaysia, transformational leadership has been shown to increase organizational innovation, while in the education, technology and retail sectors, this leadership style contributes to increased performance and job satisfaction. However, research on transformational leadership's impact on different industries hasn't been done thoroughly, and further study is needed to fully comprehend the range of organizational circumstances in which transformational leadership can be successfully implemented.

The objective of this study is to explore how transformational leadership affects the performance of organizations across a range of industries, including banking, cooperatives, manufacturing, education, insurance, and the food and beverage sector through a review of previous research. This research is important to carry out because it can review the influence of transformational leadership in various sectors, whereas most previous studies only focused on looking at one sector (Ningsih et al., 2023; Maharani, 2023; Suryantini et al., 2022; Silitonga, 2023; Kartoyo, 2023; Chan et al., 2019).

Furthermore, the goal of this research is to offer practical advice to organizational leaders across a range of industries regarding the development of adaptive and successful leadership approaches that not only support the accomplishment of organizational objectives but also enhance employee work experiences and foster a creative and productive work atmosphere.

2. Method

This research employs a literature review method, defined as a systematic, explicit, and reproducible approach for identifying, evaluating, and synthesizing existing research and ideas (Muzaki et al., 2023). The goal of the literature review is to create a framework that integrates new and prior findings, assessing whether there has been progress in a particular study area (Okoli & Schabram, 2015). This literature review was conducted using a systematic data analysis approach, which includes searching for journal articles through databases such as Publish or Perish use Google Scholar search. The search was performed using specific keywords related to transformational leadership, performance, and various industries. Each article was summarized to identify its research objectives, scope, methods, findings, and limitations. The research included in this review comprises the most recent studies, from the past five years, utilizing both quantitative and qualitative methods. The following is a detailed description of the research design carried out in this study (see Figure 1.):

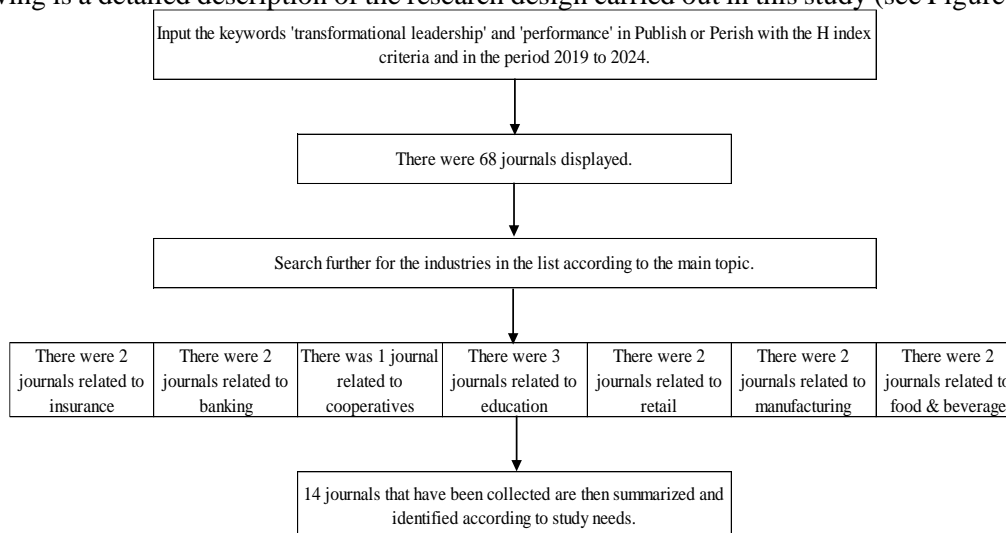


Figure 1. Research Design

3. Results and Discussion

3.1. Results

To provide a comprehensive understanding of how transformational leadership affects organizational performance across various industries, this literature review synthesizes multiple prior studies. In this section, we will present a summary of the results from each study and engage in further discussion by analyzing the key findings across different sectors. To facilitate easy comprehension of these studies' results, the table below displays the outcomes as reported by previous researchers:

Table 1 List of Research Conducted Literature Review

No	Main Topic	Year	Researcher	Method	Results
1.	Impact of Transformational Leadership on Performance in Remote Work: An Example Using Insurance Companies in Tamil Nadu, India	2024	Ivaan & Vihaan	Quantitative	The findings of the correlation study demonstrate that, in insurance businesses in Tamil Nadu, India, employee performance and transformational leadership have a strong and favorable link.
2.	The Insurance and Pension Fund Service as an Example of the Effects of Transformational Leadership on Employee Satisfaction, Performance, and Engagement	2023	Ningsih et al.	Quantitative	The study's findings support the notion that transformational leadership improves organizational performance by raising employee involvement, performance, and satisfaction levels in the BUMN insurance and pension fund service cluster.
3.	Transformational Leadership and Performance in East Java MSME Banks	2023	Maharani	Quantitative	The findings of the study demonstrate that in order to increase performance through innovation, banks must adopt a transformational leadership style strategy. Innovation will boost business success and allow for good customer service to be maintained, keeping consumers from moving to rival banks.

No	Main Topic	Year	Researcher	Method	Results
4.	Transformational Leadership's Impact on Front-line Managers' Job Performance at Private Banks in Hyderabad Region, Sindh, Pakistan	2021	Tunio et al.,	Quantitative	The study's findings suggest that a transformational leadership approach will motivate staff to perform at their highest level. Workers that work for transformational leaders are more motivated, committed, and dedicated.
5.	Information Technology's Effect on Employee Performance Together with Work Discipline, Transformational Leadership, and Supervision	2022	Suryantini et al.,	Quantitative	The findings of the study demonstrate that transformational leadership significantly and favorably affects worker performance.
6.	Technology as a Mediating Factor for The Impact of Transformational Leadership on Organizational Performance in the Education Sector	2021	Abdalla et al.,	Quantitative	Information technology can act as a mediating factor between transformational leadership and organizational success, according to the study's findings.
7.	The Impact of Transformational Leadership with Technology as a Mediating Factor on Organizational Performance in the Education Sector	2023	Silitonga	Quantitative	The findings of this study indicate that leadership characterized by charisma, inspiration, and change can enhance organizational performance through intellectual stimulation and individual consideration.

No	Main Topic	Year	Researcher	Method	Results
8.	Higher Achievement Outcomes Are Produced by Transformational Leadership: An Analysis in the Context of Education and the Military	2019	Kovach	Qualitative	This study showed how transformational leadership enhances cognitive learning for both teachers and students in the education sector and has a favorable impact on change management. The findings demonstrate the potential benefits of transformational leadership in managing change and producing improved outcomes in a military setting.
9.	Team Performance over Retail Store Effects of Transformational Leadership, Organizational Climate, and Job Satisfaction	2020	Setiadi et al.,	Quantitative	The study's findings demonstrate the beneficial effects of transformational leadership on team performance and work satisfaction as well as organizational atmosphere.
10.	The Impact of Knowledge Management and Innovative Work Practices as Mediators in the Relationship Between Digital Transformational Leadership and Employee Performance in Retail Organizations	2023	Kartoyo et al.,	Quantitative	The study's findings demonstrate a strong correlation between employee performance and digital transformational leadership, with knowledge management and creative work practices acting as mediating factors.
11.	The Impact of Organizational Innovation in Malaysia's Manufacturing Sector by Transformational Leadership	2019	Chan et al.,	Quantitative	According to this study, transformational leadership can foster an atmosphere that encourages innovation and creativity, which will enhance organizational performance in the manufacturing sector.

No	Main Topic	Year	Researcher	Method	Results
12.	An Analysis of Sri Lanka's Apparel Manufacturing Industry's Job Satisfaction and Performance in Relation to Transformational Leadership Style	2019	Chandrasekara	Quantitative	The findings of this study indicate that there is a strong positive correlation between employee performance and job satisfaction and transformative leadership. This implies that employee performance and work happiness will increase with the caliber of transformative leadership.
13.	The Impact of Supply Chain Integration and ERP Systems on Organizational Performance in the Food and Beverage Sector	2021	Setiabudi et al.,	Quantitative	According to the study's findings, transformational leadership affects business performance through the ERP system's adoption rather than directly.
14.	The Effects of Organizational Commitment, Job Stress, and Transformational Leadership Style on Employee Performance in the Food & Beverage Service Department at The Trans Resort Bali Hotel	2020	Priastana & Mujiati	Quantitative	The study's findings indicate that there is a substantial relationship between the leadership style factors and that transformational leadership significantly and favorably affects worker performance.

Analysis in the insurance sector shows that transformational leadership attributes such as the influence of idealization and individualized consideration significantly contribute to improving employee performance, including in remote work settings (Ivaan & Vihaan, 2024; Ningsih et al., 2023). Research in the banking sector highlights the contribution of transformational leadership to enhanced worker performance and satisfaction; in particular, inspiring motivation is a key characteristic of transformational leadership (Ningsih et al., 2023; Tunio et al., 2021). Employee performance is significantly improved by transformational leadership, according to research on cooperatives in Bali, Indonesia (Suryantini et al., 2022). In the cooperative context, the intellectually stimulating dimension of transformational leadership is identified as a key factor that promotes an innovative work environment, where employees are encouraged to think critically and creatively in completing their tasks. This encourages increased individual and collective performance, as well as strengthening the sense of togetherness and common goals among cooperative

members. Research from academic institutions, including those in the military, shows that transformational leadership, in which leaders foster a creative and supportive environment, has a beneficial effect on technology adoption and performance (Abdalla et al., 2022; Kovach, 2019; Silitonga, 2023). Transformational leadership improves employee performance and job satisfaction in the retail industry, particularly when it comes to retail sales (Setiadi et al., 2020). Furthermore, knowledge management and creative work practices act as mediators in the substantial association between employee performance and digital transformative leadership, according to Kartoyo's research from 2023. Individualized consideration that is, giving each employee's needs and growth their own unique attention has been shown to dramatically boost employee job satisfaction and loyalty to retail businesses. Research on the apparel manufacturing sector in Sri Lanka (Chandrasekara, 2019) and the manufacturing sector in Malaysia (Chan et al., 2019) show that transformational leadership has a major impact on job satisfaction, performance, and organizational innovation, with intellectual stimulation emerging as a critical dimension. In food and beverage sector, transformational leadership has been found to encourage innovation and employee satisfaction, achieving higher levels of innovation and operational efficiency through effective vision communication (Priastana & Mujiati, 2020; Setiabudi et al., 2021).

3.2. Discussion

The research examined in this study generally falls into two categories: studies that explore how transformational leadership (the independent variable) influences organizational performance (the dependent variable), and studies that investigate the nature of the relationship between transformational leadership and organizational performance.

Ningsih et al. (2023) explored the impact of transformational leadership on employee satisfaction, performance, and engagement within insurance companies, finding a very strong influence. Similarly, Ivaan and Vihaan (2024) studied the effects of transformational leadership on remote work performance at various insurance companies in India, with results indicating a significant impact. Likewise, research by other scholars on the influence of transformational leadership on organizational performance in banking and cooperative sectors (Maharani, 2023; Tunio et al., 2021; Suryantini et al., 2022) consistently demonstrated significant effects.

The subsequent discussion focuses on research examining the relationship between transformational leadership and organizational performance. Studies from academic institutions, including military ones (Abdalla et al., 2022; Kovach, 2019; Silitonga, 2023), indicate a positive correlation between transformational leadership and organizational performance, suggesting that superior transformational leadership leads to better performance. Similarly, Setiadi et al. (2020) and Kartoyo (2023) found consistent results in the retail industry, where transformational leadership positively influenced employee performance and job satisfaction. Likewise, in the manufacturing industry, Chandrasekara (2019) in Sri Lanka and Chan et al. (2019) in Malaysia discovered that transformational leadership enhanced job satisfaction, performance, and organizational innovation, with intellectual stimulation emerging as a key factor. This pattern was echoed in the food and beverage industry, where studies by Priastana & Mujiati (2020) and Setiabudi et al. (2021) also demonstrated that transformational leadership fosters better performance and innovation, aligning with organizational goals. "Integrated results from various previous investigations validate the applicability and efficacy of transformational leadership to improve organizational performance.

4. Conclusion

The studies mentioned previously highlight the significant and positive impact of transformational leadership across various organizational settings, industries, and circumstances. This review clearly demonstrates the beneficial effects of transformational leadership on organizational performance in diverse sectors, promoting an environment that encourages creativity, supports individual

development, and aligns personal objectives with those of the organization. These results broaden our theoretical understanding of transformational leadership, showing its wide applicability in different contexts such as member-based cooperatives, customer-focused insurance and banking sectors, quality-driven production and manufacturing industries, and the dynamic retail and food and beverage sectors. This underscores the importance of implementing transformational leadership practices to enhance organizational performance.

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