



Transformational Leadership in Improving Employee Performance: A Systematic Literature Review

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ABSTRACT: This study aims to examine how transformational leadership influences employee performance improvement in the government and private sectors. The research method used is qualitative, with a systematic literature review strategy based on 20 (twenty) articles sourced from Google Scholar, Emerald Insight, and SpringerOpen. The articles reviewed are internationally accredited. The analysis results indicate that leaders who apply a transformational approach can directly improve employee performance positively. Transformational leadership is crucial for effective implementation in an organizational environment because it has a positive impact on employee performance.

KEYWORDS: Transformational Leadership, Employee Performance.

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I. INTRODUCTION

Performance is a key aspect of work behavior. Employee performance refers to the results produced by an individual according to criteria relevant to his or her job [1]. Employee performance can be a tool for achieving competitive advantage if it surpasses the performance of its competitors. However, not all organizational management is able to manage its employees effectively and professionally. This results in poor employee performance, which hinders the organization's success [2]. Transformational leadership as a mechanism that has a significant impact on changing employee attitudes and behavior while increasing their dedication to the organization's mission and goals [3]. Employees who demonstrate a strong transformational leadership style are motivated to work effectively, resulting in an overall upward trend in their performance [4]. Transformational leadership has the power to inspire, motivate, and create a unique vision within an organization. Leaders who employ this approach foster creativity, encourage personal growth, and build strong connections with their employees, resulting in a work environment that enhances performance [5].

Transformational leadership is a highly promising style when applied to today's modern organizations, which aim to face complex competition and rapid change. This leadership style focuses on inspiring, motivating, and empowering employees to improve their performance and engagement in their work. The transformational leadership phenomenon described above is interesting to discuss because it can impact employee performance. This transformational leadership requires support from other factors, such as ongoing innovation and creativity. This innovation includes the development of ideas or the use of new technology, continuously utilized to support employee work activities and provide long-term benefits. Sustainable creativity, on the other hand, involves collaborating with stakeholders to provide training to enhance employee creativity.

Humanizing transformational leadership is the key to success for today's teams. In the past, leadership was often defined as "command and control." Leaders needed to be strong, and ego often played a decisive role. But today, true strength lies in the courage to open their minds, a humble approach to all knowledge. From that humility, a leader knows the most valuable answers come from the most honest voice of the heart, enabling organizational change. Humanizing leaders create space for teams to grow and express their opinions, viewing each person as a shining gem. To analyze this phenomenon, a systematic literature review was conducted, including articles published online through Google Scholar, Emerald Insight, and SpringerOpen, to shed light on the problems that arise.

II. LITERATURE REVIEW

Transformational Leadership

Transformational leadership functions as a style that not only guides employees but can also motivate subordinates to increase their contribution to achieving organizational goals effectively and efficiently for the future of the organization they lead [6]. Transformational leadership essentially refers to the dynamics between leaders and their followers, which are based on values, beliefs, and perceptions regarding the organization's vision and mission [4]. Company leaders who implement transformational leadership should focus more on persuasive techniques towards employees because of the relationship between this leadership style and employee performance [7]. Transformational leadership is essential to implement the changes needed for efficient management, such as improving employee performance [8]. Transformational leadership is a style of leadership that focuses on accounting for change by motivating subordinates to improve their performance by focusing on actions that strengthen the relationship between employees and the organization. Employees need transformational leadership to achieve and improve performance results [5].

Employee performance

Employee performance is a very important thing to take into account in an organization because the performance produced by the employee is the final result given from a series of tasks that are his responsibility [9]. Employee performance includes work results or output, both in terms of quality and quantity, achieved by employees within a certain period of time while carrying out their responsibilities in accordance with the tasks assigned [10]. In an organization, strong motivation and work discipline can influence employee performance. Effective performance is highly valued and valued because it demonstrates a positive contribution to both the employee and the organization they work for [11]. Additionally, providing appropriate compensation and adequate job training will encourage positive employee performance. Employees who demonstrate strong skills and work ethic can also drive improved employee performance [12]. Employee performance can be a tool for achieving competitive advantage if it outperforms competitors. However, not all organizational management can supervise its employees effectively and professionally [2].

III. METHODOLOGY

This research uses a qualitative approach with a systematic literature review, known as a narrative literature review. It uses qualitative methods to synthesize existing research on a particular subject to form a comprehensive narrative. Rather than relying on an automated process, a literature review requires the author's judgment and analysis to combine relevant studies [13]. A systematic literature review analysis obtained from Google Scholar (<https://scholar.google.com/>) with the keywords transformational leadership and employee performance with a duration of 0.07 seconds found 868,000 articles related to the study. However, of these articles, there are international and international articles. The author selected the articles by setting the publication time of the articles starting from 2020-2025, finding 16,600 articles with a search duration of 0.16 seconds, from the number of articles after selecting the title and material there were 12 articles that were close to this writing. Furthermore, a search was conducted on Emerald Insight (<https://www.emerald.com>) found 46322 articles and books related to transformational leadership and employee performance. Next, a selection was carried out with the choice of articles only and found 3266 articles. Next, it was carried out with the open access option and found 2977 articles. This writing also conducted a search on SpringerOpen: in the Future Business Journal (<https://www.springeropen.com>) 156 articles were found related to transformational leadership and employee performance.

IV. DISCUSSION

Of the 16,600 articles searched on Google Scholar, 12 articles from 2020-2025 met the requirements. A search conducted by Emerald Insight yielded 3 articles from 2,977 open access articles, while a search on Elsevier yielded 1 eligible article, and Springer Open found 5 articles. Therefore, the number of articles required for this study is 20. Transformational leadership has been studied by various organizations, including educational institutions, government agencies, and the private sector. The implementation of good transformational leadership within an organization can encourage improvements in employee performance. This study was compiled from 18 international and national journals to enrich the literature. The names of the journals and publishers of the articles used are:

Table 1. Names of Journals Publishing Transformational Leadership and Employee Performance

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No	Name Journal	Amount	Publisher
1	European Journal of Management Studies	1	Emerald Publishing
2	International Journal of Managing Projects in Business	1	Emerald Publishing
3	Journal of Business Research	1	Elsevier
4	Journal of Advances in Management Research	1	Emerald Publishing
5	SAGE Open	1	Sage
6	Journal of Innovation and Entrepreneurship	1	Springer Open
7	Empirical Research in Vocational Education and Training	1	Springer Open
8	Future Business Journal	3	Springer Open
9	International Journal of Human Behavior Management	1	Asosiasi Dosen Peneliti Ilmu Ekonomi Dan Bisnis Indonesia
10	ICHES: International Conference on Humanity Education and Society	1	Forpim PTKIS Zona Tapal Kuda
11	Indonesian Interdisciplinary Journal of Sharia Economics (IJSE)	1	Department of Sharia Economics Universitas KH Abdul Chalim Mojokerto
12	International Journal of Management Science and Information Technology (IJMSIT)	1	Lembaga Komunitas Informasi Teknologi Aceh (KITA)
13	Journal of International Conference Proceedings (JICP)	1	AIBPM Publisher
14	International Journal of Economic, Technology and Social Sciences	1	CERED Indonesia
15	<i>Budapest International Research and Critics Institute-Journal (BIRCI-Journal)</i>	1	BIRCU Publisher
16	Eurasian Journal of Management & Social Sciences	1	Faculty of Administrative Sciences and Economics, Tishk International University
17	European Journal of Business and Management Research	1	European Open Access Publishing
18	International Journal of Accounting, Management, Economics and Social Sciences (IJAMESC)	1	PT. Zillzell Media Prima
Amount		20	

Source: Processed by the author, 2025.

Based on the 18 journals used to search for supporting references in this paper, 20 articles were used as reference material to deepen our understanding of transformational leadership in improving employee performance. Most of these articles explain that good employee performance is influenced by the implementation of transformational leadership by a leader in their workplace. This research is explained in the following articles:

Table 2. Previous Studies

No	Writer	Method		Data Selection	
		Qualitative	Quantitative	SLR	Primary
1	Top, at al (2020) [14]	-	×	-	×
2	Purba & Sudibjo (2020) [6]	-	×	-	×
3	Farisi & Paramita (2020) [4]	-	×	-	×
4	Gao, at al (2020) [15]	-	×	-	×
5	Jnaneswar & Ranjit (2020) [16]	-	×	-	×
6	Lai, at al (2020) [17]	-	×	-	×
7	Khan, at al (2020) [18]	-	×	-	×
8	Ekhsan & Setiawan (2021) [7]	-	×	-	×
9	Magasi (2021)[19]	-	×	-	×
10	Hasibuan & Bayzura (2023) [20]	-	×	-	×
11	Rony, at al (2023) [21].	×	-	×	-
12	Beverborg (2024)[22]	×	-	×	-
13	Edonomokumo, at al (2025)[23]	-	×	-	×
14	Saif, at al (2025)	-	×	-	×
15	Agazu, at al (2025)[24]	×	-	×	-
16	Ameer, at al (2025)[25]	-	×	-	×
17	Insani, et al., (2024) [8]	×	-	×	-
18	Berkovich (2025)[26]	-	×	-	×
19	Ramadhan & Gani (2025) [5]	-	×	-	×
20	Ardiyansah & Farida (2025) [27]	-	×	-	×

Source: Processed by the author, 2025.

Of the 20 articles used to support this paper, 16 used primary data, using questionnaires for data collection, while the other four articles were compiled using a systematic literature review. The research was conducted in various countries. This demonstrates that the research is interesting to discuss because it can contribute to improving employee performance.

Table 4. Countries Adopting Transformational Leadership

No	Negara	Jumlah	Sumber
1	Indonesia	8	[27][8][5][7][20][4][6][21]
2	Iraq	1	[14]
3	Afrika Timur	2	[19][24]
4	Israel	1	[26]
5	Italy	1	[25]
6	Canada	1	[15]
7	India	1	[16]
8	Taiwan	1	[17]
9	Belanda	1	[22]
10	Pakistan	2	[18] [28]
11	Turkish	1	[28]

Source: Processed by the author, 2025.

The studies that have been conducted have various findings such as transformational leadership having a positive impact on employee performance, this shows that when transformational leadership increases, employee performance will also increase, whereas conversely when transformational leadership decreases, employee performance tends to decrease [6]. Transformational leadership is crucial for improving employee performance and productivity. Transformational leaders can provide motivation, inspiration, and clear direction to their team members, thereby driving greater effectiveness and maximizing their contribution to achieving organizational goals. In other words, the effectiveness of transformational leadership will directly impact the overall productivity and performance of the organization [20]. Transformational leadership has a significant positive impact on employee performance. This indicates that successful transformational leadership in an organization can improve employee performance because leaders are able to implement the established vision and mission [8]. Transformational leadership is crucial for employees to achieve and improve performance. Transformational leadership refers to strategies for guiding and teaching employees to adhere to established guidelines, thereby encouraging the development of organizational structures [5].

Leaders who utilize this leadership approach can inspire, motivate, and model behavior, encouraging employees to improve performance and strive for higher performance standards. Consequently, transformational leadership improves morale while enhancing the quality and effectiveness of employee performance [21]. The aspects of individual consideration and intellectual stimulation show a favorable relationship with employee performance. This connection is further enhanced when paired with effective human resource empowerment strategies and the creation of a work environment that encourages ongoing learning, creativity, and organizational innovation [19]. Perceptions of current managers' transformational leadership and trust in current managers. To achieve this goal, I propose that past pseudo-transformational leadership is not associated with lower trust in current leaders, but that perceptions of current managers' transformational leadership mediate the aversive effect of past pseudo-transformational leadership on trust. [26]. Transformational behavior serves as a moderating factor connecting proactive personality to affective commitment. Consequently, organizational bodies must emphasize the personality aspect and personal leadership approach during recruitment, as both are explicitly and implicitly linked to the level of success in project execution [25].

Transformational leaders can initiate essential changes in the behavior of individuals, groups, and organizations. This enhances not just task performance but also additional performance metrics like contextual and creative performance. Workers might be more inclined to put in extra effort if they view the transformational leadership style of their leaders favorably [16]. Transformational leaders can influence members' performance by increasing their work engagement. That is, in daily interactions, lower-level transformational leaders, who have more contact with members, may have more opportunities to instill the organization's collective vision and goals in members [17]. Workers gain advantages from direct interaction with their transformational leaders. Their leaders motivate them to engage in collaboration and communication to attain common objectives, as well as to ask for input and talk about enhancements with their colleagues [22]. Transformational leaders are crucial in fostering intrinsic employee motivation by creating a supportive, rewarding, and inspiring workplace environment. Leaders who recognize the value of intrinsic motivation inspire employees to engage with enthusiasm and self-awareness, rather than being solely motivated by external factors such as rewards or penalties. Studies show that this leadership approach fosters a positive, low-stress, and productive workplace, thereby improving overall employee performance [18].

Thus, recent research conducted between 2020 and 2025 found that transformational leadership has a positive and significant impact on improving employee performance. Leaders who are able to implement a transformational leadership style can motivate, direct, and guide employees to align with the organization's vision and mission. This makes transformational leadership a crucial element in increasing productivity, efficiency, and overall organizational success. Without strong transformational leadership, employee performance often declines due to a lack of direction, motivation, and guidance from leaders. Therefore, this research is driven by the importance of developing transformational leadership as a management approach to increase organizational competitiveness through sustainable employee performance improvement. Employees

led by transformational leaders tend to better internalize the vision, values, and changes promoted by their leaders, thus demonstrating improved task performance and helpful behavior toward their colleagues.

This leadership style also encourages the creation of an innovative organizational culture oriented towards achieving the best results. Transformational leadership directly and indirectly influences employee performance through visionary, inspirational, and empowering leadership behaviors. Studies have noted that alignment between leadership practices and organizational values and goals strengthens the positive impact of transformational leadership on employee performance. Transformational leadership not only improves work output but also enhances overall organizational effectiveness in the era of digitalization and global competition. This research supports the development of a transformation-based leadership model oriented towards building commitment and innovation within the workforce. This review demonstrates that transformational leadership is an effective approach that helps improve employee performance through empowerment, motivation, and the creation of a positive work culture across various international organizational contexts.

V. CONCLUSION

From the results of the analysis of 20 (twenty) articles on transformational leadership in improving overall employee performance. The results of the analysis that have been done previously show that good employee performance is influenced by the existence of transformational leadership. Therefore, transformational leadership is important to pay attention to in an organization because it can provide encouragement for employees to improve their performance. The managerial implications that can be conveyed from the results of the analysis are that leaders in an organization such as government and private are important to implement transformational leadership because this factor can provide a positive contribution to the organization. Organizations that implement these factors well can achieve the goal of achieving the specified target effectively and efficiently. Suggestions that can be conveyed from the results of the analysis are that future researchers who use quantitative methods are important to examine the variables of job satisfaction and career development as well as emotional intelligence because these variables also participate in improving employee performance.

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