

The Effect of Transformational Leadership on Employee Performance with Job Satisfaction as an Intervening

Yuliani¹, Zaenafi Ariani^{2*}, Nurul Fitri Hidayanti³, Ady Supriadi⁴, Ahadiyah Agustina⁵

^{1,2,3,4,5}Ekonomi Syariah, University Muhammadiyah Mataram, Indonesia

yuliani66937@gmail.com¹, efisholiha@gmail.com²

Abstract: Transformational leadership has become a strategic approach to enhancing employee performance through the strengthening of job satisfaction and organizational culture. This study aims to examine the influence of transformational leadership on employee performance with job satisfaction as a mediating variable through a literature-based approach. This research uses a qualitative method with a Library Research/Integrative Review approach by reviewing information on the influence of transformational leadership on employee performance with job satisfaction as a mediating variable. Literature was collected from reputable databases such as Google Scholar, Scispace, DOAJ, and Scopus, with inclusion criteria focusing on articles published between 2015 and 2024, written in either Indonesian or English, and directly related to the research variables. The selection process was carried out systematically based on the relevance of the title, article content, and methodological validity. Data were analyzed using thematic synthesis techniques. The findings indicate that transformational leadership has a positive impact on employee performance both directly and indirectly through job satisfaction. Supporting factors such as organizational culture, a positive work environment, and organizational commitment also strengthen this relationship. This study concludes that the effective implementation of transformational leadership can improve performance and create a more productive and satisfying work environment for employees. The implications of these findings encourage organizations to develop leadership that is oriented toward transformational values and employee well-being. Future research is recommended to explore other mediating variables such as employee engagement or psychological empowerment in the era of digital transformation and hybrid work environments.

Keywords: Transformational Leadership, Employee Performance, Job Satisfaction, Intervening Variable

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A. INTRODUCTION

Transformational leadership is a leadership style that is able to inspire and motivate employees to go beyond personal interests to achieve organizational goals. Bass and Avolio (1994) suggest that transformational leaders create a clear vision, provide support, and encourage innovation and creativity in the organization. Job satisfaction, on the other hand, is the positive feelings employees have toward their jobs, reflecting the extent to which their expectations are met (Robbins & Judge, 2013). Employee performance reflects the effectiveness and efficiency of individuals in completing assigned tasks, which are influenced by various factors including leadership style and factors including leadership style and job satisfaction levels.

Research by Veliando and Yanuar (2021) shows that transformational leadership has a positive and significant effect on employee performance at CV. Prima Ujaya Snack. Similarly,

a study by Rasminingsih et al. (2024) in BPD Bali found that transformational leadership directly improves employee performance. In addition, research by Asbari et al. (2020) in the automotive industry in Tangerang revealed that transformational leadership contributes positively to employee performance through increasing readiness to change.

fauzi (2019) in his research at Nissan Datsun Bantul found that transformational leadership has a positive effect on employee job satisfaction. The study by Rasminingsih et al. (2024) also showed that transformational leadership increases job satisfaction, although it does not directly affect employee performance through job satisfaction. Meanwhile, research by Purba et al. (2019) at Perum Percetakan Negara Republik Indonesia Manado Branch indicated that transformational leadership contributes to increased employee job satisfaction.

Hendrayana et al. (2024) in their study at PT Inti Dufree Promosindo, Denpasar, found that job satisfaction has a significant influence on employee performance, which is mediated by organizational commitment. Research by Purba et al. (2019) also shows that job satisfaction contributes positively to employee performance. In addition, a study by Wahyudi (2018) in the banking sector revealed that high levels of job satisfaction are associated with increased productivity and employee performance.

Research by Fauzi (2019) shows that job satisfaction mediates the relationship between transformational leadership and employee performance at Nissan Datsun Bantul. Similarly, a study by Rasminingsih et al. (2024) found that job satisfaction acts as a mediator in the relationship between transformational leadership and employee performance at BPD Bali. However, research by Purba et al. (2019) did not find a significant mediating role of job satisfaction in the relationship at Perum Percetakan Negara Republik Indonesia Manado Branch.

Based on previous studies, there is consistency in the findings that transformational leadership has a positive effect on employee performance and job satisfaction. However, there are differences in the mediating role of job satisfaction in the relationship. Some studies show a significant mediating role, while others do not. This gap indicates the need for further research to understand the conditions under which job satisfaction mediates the relationship between transformational leadership and employee performance. This study aims to examine the effect of transformational leadership on employee performance with job satisfaction as an intervening variable, in order to provide a deeper understanding of the dynamics of the relationship in an organizational context.

B. METHOD

This study uses a library research approach with an integrative literature review method to examine the relationship between transformational leadership, job satisfaction, and employee performance. This approach allows researchers to collect, analyze, and synthesize findings from various previous studies to gain a comprehensive understanding of the phenomenon under study (Torraco, 2005). Integrative review is also suitable for identifying gaps and proposing new directions for future research. This research is descriptive-analytical in nature, focusing on searching and processing scientific literature as the main source of data.

Data sources were obtained from credible and internationally reputable databases, namely Google Scholar, Scispace, Directory of Open Access Journals (DOAJ), and Scopus. Articles were selected from reputable national and international journals, and were published between 2015 and 2024. Inclusion criteria included articles in Indonesian or English that directly addressed the variables of transformational leadership, job satisfaction, and employee performance, either directly or indirectly. The exclusion criteria included non-academic articles, articles that did not have full-text access, and articles that did not go through the peer-review process.

The literature search process starts with the use of keywords such as “transformational leadership”, “job satisfaction”, “employee performance”, ‘mediation’, and “human resource management”. Boolean combinations such as AND, OR, and NOT were used to filter out more relevant search results. After the search, the articles were selected through three stages: (1) initial selection based on the title and abstract; (2) selection based on the suitability of the content to the focus of the study; and (3) evaluation of the methodological quality of the articles. Each article that passed the final selection was analyzed qualitatively by identifying patterns of relationships between variables and organizing important findings into key themes.

The data analysis method used was thematic synthesis, which allowed the researcher to categorize the literature into relevant themes and construct a cohesive narrative. The validity of the review was maintained through the use of multiple primary sources from reputable journals, as well as with limited peer debriefing techniques to avoid subjective bias. The reliability of the process was achieved by maintaining consistent selection criteria and systematically tracking the literature (Whittemore & Knafl, 2005). This process ensured that the literature integration was not only descriptive, but also analytical and contextualized according to the research objectives.

C. RESULTS AND DISCUSSION

1. The Relationship Between Transformation Leadership and Employee Performance

Transformation in the context of leadership and organizational culture has a significant impact on employee performance. Research shows that transformational leadership promises to improve performance through a positive influence on employee motivation and commitment. Supardi & Anshari (2022) found that transformational leadership and organizational culture simultaneously have a significant positive impact on employee performance. Other studies also show that elements of organizational culture and work motivation play an important role in this context, where a supportive culture can increase employee engagement and performance (Susanti & Saputri, 2023; Munawirsyah, 2021; (Asmara et al., 2023).

Furthermore, a positive work environment is also proven to be a key factor in improving employee performance. Aisya & Evasari (2023) stated that work stress can affect employee performance, where a good work environment can reduce stress and increase productivity. Findings from Adha et al. (2019); Nur et al. (2023) corroborate that a supportive work environment, along with high motivation, plays an important role in significantly influencing employee performance.

In the context of organizational commitment, there is a clear consistency in the literature that this commitment serves as an important mediator. Organizational commitment helps bridge the relationship between organizational culture, leadership, and employee performance (Sutrianah et al., 2022; Rahmawati & Juwita (2019). Rahmawati and Juwita Rahmawati & Juwita (2019) found that the implementation of a strong organizational culture balanced with organizational commitment also leads to improved performance. Thus, companies need to pay attention to employee commitment as part of a performance improvement strategy.

Overall, both transformational leadership and organizational culture in synergy with a positive work environment and organizational commitment are proven to substantially improve employee performance. This series of studies confirms that concerted efforts in applying transformational principles and strengthening a supportive organizational culture will not only contribute to achieving better performance, but will also create more satisfying working conditions for employees (Asmara et al., 2023; Ratnasari et al., 2020; Setiawan & Dinarto, 2022).

2. The Role of Transformation Leadership in Improving Job Satisfaction

Leadership plays a crucial role in improving employee job satisfaction across various organizational contexts. In general, an effective leadership style can create a positive environment, motivate employees, and increase productivity, all of which contribute to higher job satisfaction. Research by Soeharsono (2016) indicates that a good leadership style can provide motivation for employees, which in turn has a positive impact on job satisfaction. In this context, leaders who understand and apply flexible and adaptive leadership styles can be more effective in meeting employee needs.

Study by Martini et al. (2022) strengthens this argument by showing that work motivation, leadership, and work environment interact to increase job satisfaction. A work environment that encourages open communication and employee participation can also increase their sense of job satisfaction. Purnamiati (2024) found that job satisfaction serves as a mediator between leadership style and employee performance. This suggests that leadership strategies that focus on increasing employee satisfaction are not only beneficial for the employees themselves but also have an effect on the overall performance of the organization.

Transformational leadership also has a significant impact on job satisfaction. Ibrahim et al. (2020) showed that leaders who adopt a transformational approach not only motivate employees but also create strong organizational commitment. Research by Deddy Deddy (2022) proves that transformational leadership contributes to employee job satisfaction by creating an environment conducive to self-development and achievement of individual goals. By paying special attention to each team member, leaders can strengthen employees' sense of satisfaction and engagement.

Furthermore, a supportive leadership style has also proven effective in increasing commitment and job satisfaction. In a study by Fransisca and Nawawi (Fransisca & Nawawi, 2023), the influence of leadership style, work motivation, and work discipline on employee job satisfaction is reflected in the strategies used by companies to retain employees. Employees

feel more valued and engaged when treated well and given the opportunity to develop in their work.

Overall, the influence of leadership on employee job satisfaction cannot be ignored. Good leadership creates a positive work climate, increases motivation, and promotes high job satisfaction. In this context, it is important for organizations to develop and implement leadership styles that are responsive to employee needs to ensure success and productivity in the workplace.

D. CONCLUSIONS AND SUGGESTIONS

Transformational leadership has a significant influence on improving employee performance, both directly and indirectly through job satisfaction as an intervening variable. Leaders who adopt a transformational style are able to create a conducive work environment, strengthen a positive organizational culture, and increase employee motivation and commitment. Factors such as organizational culture, supportive work environment, and organizational commitment act as important elements that strengthen the relationship between leadership and performance. Thus, organizational success in improving employee performance depends largely on the integration of transformational leadership strategies oriented towards human resource development and a healthy work environment.

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