

The Impact of Transformational Leadership on Employee Performance

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ABSTRACT

Transformational leadership is largely linked to enhanced employee performance, but recent studies imply that the action of transformational leadership takes effect yet in various psychological, behavioural, and organisational processes rather than with a direct effect. The paper systematically synthesises 25 substantive peer-reviewed studies from 2021–2026. The revised search framework specifies Scopus, Web of Science Core Collection, Business Source Complete, and Google Scholar. A PRISMA-style study-selection flow is provided in Figure 1. The evidence states that transformational leadership is typically associated with superior performance through enhancement of employee engagement, importance of tasks, affective commitment, trust, organisational citizenship behaviour, and readiness to perform extra roles than those required in execution roles. Organisational systems, work design, human resource practices, workload and conditions in which employees work also define the relationship. Notably, more recent studies find less significant or insignificant direct effects especially in cases where remote working, resource deprivation, or situational demands diminish the chances of leadership behaviours to have any influence on employees. The paper concludes that transformational leadership thrives well when inspirational and developmental behaviours are reinforced by relevant organisational practices and sufficient employee competence and potential. Organisations, therefore, need to combine leadership growth with involvement, job design, equity, and conducive human resource platforms to attain long-term gains in the performance of the workers.



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1. Introduction

Employee performance is a major aspect of organisational performance, which determines productivity, quality of services, efficiency and the attainment of strategic goals. With organisations being more involved in an environment with increased technological change, expectations of employees and changing work arrangements, the organisational predictors of employee performance have become a significant issue of concern regarding the research on leadership and management. Despite the performance influences of individual capabilities, job characteristics, organisational resources, and human resource management practices, leadership is especially relevant since it determines how employees perceive organisational goals, their access to developmental assistance and the degree of their commitment to common objectives. In this respect, transformational leadership has been followed by a continuous academic interest as a management leadership style that

involves the motivation, engagement, and performance of employees (Qalati et al., 2022; Wang et al., 2021; Waseem et al., 2025).

Transformational leadership that originally emerged as the concept of Burns (1978) and was later on developed by Bass (1985) points to the ability of leaders to influence followers based on a shared purpose, inspirational motivation, intellectual stimulation, and individualised consideration. Transformational leadership consists of four main dimensions of influence according to Bass and Riggio (2006): idealised influence, inspirational motivation, intellectual stimulation, and individualised consideration. Together, these actions stimulate staff members to become organisational goal oriented, rethink a pre-existing attitude towards work, and build their potential. Performance wise, transformational leadership should affect employees not just via motivational processes but also by providing environments where learning processes can take place, teamwork and successful execution of activities. However, the value of transformational leadership contribution to performance cannot be comprehensively perceived by believing that inspirational leadership behaviours always lead to better employee performance.

Recent empirical studies offer extensive support of positive relations between transformational leadership and employee performance and are becoming more focused on the psychological and behavioural mechanisms which underline this correlation. An example is a study by Wang et al. (2021), looking at employees in the Chinese hospitality industry, that transformational leadership had a favourable correlation to job performance and affective organisational commitment, and employee engagement partly mediated these correlations. In a similar manner, organisational citizenship behaviour was found by Qalati et al. (2022) and colleagues to be a significant factor which links transformational leadership with employee performance. Going a step further, Vila-Vázquez et al. (2024) showed a relationship between transformational leadership and task performance by workers in a cascade model (significance of the task and job engagement). These data point to a hypothesis that performance outcome of transformational leadership partly relies on psychological engagement of employees, a sense of work meaningfulness, and readiness to engage in cooperative behaviours, as opposed to leadership behaviour that functions in an exclusively mediated manner.

Other data show that there are specific psychological and organisational processes in terms of the leadership performance relationship. According to Shao et al. (2022), the authors discovered that affective commitment mediated the transformational leadership and job performance and, moreover, job insecurity mediated the relationship between transformational leadership and affective commitment. Wang et al. (2021) emphasized that psychological safety mediates the relationship between job performance definitions and nurses operating in medical facilities. In the meantime, Olvera et al. (2024) established that the relationships between transformational leadership and organisational outcomes on the team level were mediated by interactional justice and horizontal trust. Such explanations are extended with research including organisational systems. Waseem et al. (2025) identified that ability-, motivation-, and opportunity-enhancing practices mediated the relationship that exists between transformational leadership and job performance, whereas Almazrouei and Alnahhal (2025) studied the mediating nature of digital transformation and organisational agility in the context of the public sector within the United Arab Emirates. Combined with these, these studies suggest that transformational leadership is entrenched in a greater organisation of personal attitudes, interpersonal relations, occupation and organisation practices.

This evidence notwithstanding, it is clear the connection between transformational leadership and employee performance is more intricate than a direct correlation that is equally positive. Empirical literature has determined the differences in leadership dimensions and organisational situations. An example can be Teoh et al. (2022) who concluded that idealised influence and inspirational motivation were positively related to employee performance in the Malaysian hospitality sector, but intellectual stimulation and individualised consideration had no significant relations. Unlike researchers who reported positive direct relationships, Meiryani et al. (2022) also reported that transformational leadership did not significantly predict employee performance in a sample of employees that worked remotely during the COVID-19 pandemic although remote working was significantly related to performance. These results do not prove that transformational leadership does

not work in remote environments in general, but they do show that the magnitude of interactions and their statistical significance may differ among samples and working conditions. These differences pose crucial questions about the conditions under which transformational leadership is related to performance and whether it exerts condition-specific effects to certain psychological, behavioural, and organisational conditions.

The need for a context-sensitive interpretation is also reflected in recent research synthesis. The review by Agazu et al. (2025) based on 54 studies published in 2016 to 2023 records numerous positive results between transformational leadership and firm performance highlighting the impact of dynamic capabilities and organisational innovation. More recently, Maneethai et al. (2026) carried out a meta-analysis of 40 years of studies and stated that there were positive correlations between transformational leadership and employee attitudes and performance outcomes as well as evidence of contextual variance. These reviews play a significant role in comprehending the overall performance of transformational leadership. But firm performance, project performance, employee creativity, organisational citizenship performance and individual performance are conceptually different outcomes that may work at different levels of analysis. Therefore, the evidence involved in the organisational or project performance cannot be presumed to illustrate similar relationships with individual employee performance. There is a need to have an employee-focused synthesis that explains the processes that are involved in individual performance and at the same time differentiating the results of such an outcome with the associated behavioural and organisational effects.

More than that, despite the current studies on employee engagement, their affective commitment, significance of tasks, psychological safety, organisational citizenship behaviour and human resource management practices, there recently has been a tendency to examine them through the lenses of independent empirical models and employment settings. Research undertaken within hospitality, health care, small and medium-sized firms, telecommunication, and organisations that are in the public sector offers rich, but context-differentiated explanations of transformational leadership. The available evidence thus needs an integrative explanation which distinguishes psychological mechanisms, behavioural and organisational processes, studies the circumstances of varying relationships reported and considers variations in conceptualisation and measurement of employee performance. The overall research gap discussed in this review is not the fact that no evidence is found linking transformational leadership with performance, but that employee-focused synthesis is needed, incorporating the mechanisms and contextual conditions, as well as analysis differences that have emerged due to recent studies.

Accordingly, the present study systematically reviews literature published between 2021 and 2026 to examine how transformational leadership is associated with employee performance and to develop an integrated understanding of the mechanisms and contextual conditions underlying this relationship. Specifically, the review addresses three research questions: (RQ1) What does recent empirical evidence indicate about the relationship between transformational leadership and employee performance? (RQ2) Through which psychological, behavioural, and organisational mechanisms is transformational leadership associated with performance? (RQ3) Which contextual conditions explain variations in the direction, strength, or statistical significance of this relationship? By synthesising recent evidence through a qualitative thematic approach, the study contributes to literature in three respects. First, it integrates previously dispersed mechanisms into a coherent explanation of the transformational leadership–performance relationship. Second, it distinguishes individual employee performance from related behavioural, team-level, and organisational outcomes, thereby improving conceptual clarity. Third, it identifies contextual conditions and inconsistent findings that qualify universal interpretations of transformational leadership. The resulting synthesis offers a theoretical basis for subsequent empirical investigation and provides management scholars and practitioners with an evidence-informed understanding of how leadership behaviours may be supported by appropriate organisational conditions to facilitate employee performance.

2. Literature Review

2.1. Theoretical Foundation

The theoretical basis of this review is based mostly on the theoretical basis of transformational leadership theory, which was first developed by Burns (1978) and later theorized by Bass (1985). Transformational leadership describes leader-follower interrelationship by communicating an attractive vision, noting by example, fostering intellectual growth, and addressing each individual need. Bass and Riggio (2006) frame transformational leadership on the four dimensions, which include idealised influence, inspirational motivation, intellectual stimulation and individualised consideration. These dimensions offer a theoretical explanation on how leadership behaviours can influence the employee motivation, work related attitudes, and performance.

Idealised influence allows leaders to bring in credibility and foster identification with the organisational goals, whereas inspirational motivation conveys shared organisational purpose and prompts the staff to be committed to it. Intellectual stimulation facilitates abstract thinking and reevaluating the accepted work practices and individualised consideration facilitates development of employees through coaching and individualised attention. The proposed processes imply that the transformational leadership style can affect the performance by influencing the attitudes, perceptions, and behaviours of employees. The evidence that employee engagement, affective commitment, psychological safety, and task significance are intervening mechanisms are empirical indicators to consider these processes as directions of leadership to performance (Shao et al., 2022; Vila-Vázquez et al., 2024; Wang et al., 2021).

However, the theory of transformational leadership does not provide all the answers as to why motivated employees could face challenges when it comes to their willingness to contribute to performances. The ability-motivation-opportunity (AMO) approach offers a complementary view of the interpretation of these organisational conditions. The AMO approach states that the performance is determined by employees having the right abilities, being motivated to work and having a chance to put their knowledge and skills into practice. Waseem et al. (2025) empirically investigated the mediation effects of AMO-related practices and green human resource management in the transformational leadership-job performance interaction, showing that organisational support mechanisms are pertinent to this field of research.

A combination of these views offers a baseline for deriving the meaning of transformational leadership as a possible source of motivating employees and engaging them psychologically whose implication relies on organisational set-ups. The transformational leadership theory can be used to explain how leaders can impact employee attitudes and behaviours in relation to the AMO perspective which contributes to explaining which conditions within an organisation can allow employees to translate these attitudes and behaviours into performance. Such perspectives are regarded as the interpretive lenses in this review but not a statement that all the studies included adopted and tested the same theoretical model. In combination, they facilitate a comprehensive analysis of psychological processes, behavioural processes, and organisational conditions, over the literature reviewed.

2.2. Employee Performance and Contemporary Evidence

Employee performance is treated primarily as individual task or job performance; citizenship and innovative behaviour are related but distinct outcomes, while team and organisational performance are interpreted at their respective analytical levels.

The engagement of employees is one of the strongest findings in recent history to have been made about transformational leadership to enhance performance. Wang et al. (2021) studied the relationships among hotel workers and their results indicated that transformational leadership was positively correlated with the job performance and affective organisational commitment, with employee engagement partially mediating these associations. This has theoretical significance, as it implies that leadership can influence performance, by raising the level to which workers contribute physical, cognitive and emotional effort in their jobs. An example of how a transformational leader motivates staff

to put in more effort will not be to simply tell an employee to work harder, but the leader will be able to make the employees perceive that their work is important and worth discretionary efforts.

A more in-depth description of this mechanism is presented by Vila-Vázquez et al. (2024). Their research connects transformational leadership and task performance, which take the form of task significance and job engagement. These results suggest that leaders can impact performance by influencing the way that employees interpret the sense and meaning of their job. Employees might be more engaged and can perform better when their leaders demonstrate that work is important, ties individual work to a bigger picture, and supports autonomy and learning. This shifts literature towards a personality-based perspective of leadership to a work and design perspective.

Another repeated pathway is that of affective organisational commitment. Shao et al. (2022) discovered that transformational leadership was positively associated with job performance, and that affective commitment mediated experience. Emotional attachment and identification with organisational goals are the two approaches where leader behaviour becomes performance that has been reinforced more recently. When staff members feel appreciated, trusted and tied to a common vision, they may work harder to continue, collaborate and do more than the minimum.

Citizenship behaviour also assists in explaining the relationship among organisations. In a sample of employees working in small and medium-sized enterprises, Qalati et al. (2022) reported that transformational leadership enhances employee performance in part via the citizenship behaviour. The behaviours of citizenship are voluntary in nature, and the behaviour involves giving assistance to colleagues, knowledge sharing, organisational support, and giving beyond the contracted organizational role. These behaviours can be promoted by transformational leaders who can enhance social bonds and collective purpose. Performance thus becomes better not just because of individual effort put in but also with collaborative behaviour that renders the overall work system to work.

Other mechanisms are trust and justice. In a multilevel analysis of health care workers and hospital staff, Olvera et al. (2024) identified links between transformational leadership, interpersonal justice, and horizontal trust with organisational performance indicators such as job performance and quality of provided services. Their results underscore a significant social process, where employees work in a web of relationships. Leaders who treat employees with respect, behave consistently, and are perceived as fair may build trust, which in turn promotes engagement and performance coordination.

The effects of transformational leadership are not the same in all dimensions. Teoh et al. (2022) investigated the four dimensions, which are usually discussed in the Malaysian hospitality sector, and identified that idealised influence and inspirational motivation demonstrated a high positive impact on employee performance, but the other dimensions did not demonstrate similar high influence. This implies the fact that the undifferentiated single form of treatment of transformational leadership may conceal valuable variability. A powerful role model and inspiring vision might prove very crucial in one environment, whereas intellectual stimulation or personalised attention can be more significant in another.

The association also hinges on the larger organisational context. Transformational leadership has the potential to affect job performance via ability-, motivation-, and opportunity-enhancing practices as demonstrated by Waseem et al. (2025). This implies that human-resource systems and leadership can be complementary. Employees can translate motivation into sustainable performance only when they have the ability, resources, and opportunities to act. Equally, Almazrouei and Alnahhal (2025) established that digital transformation and organisational agility mediate the relationship between transformational leadership and worker performance at the UAE in the state sector. The role of transformational leadership could thus prove particularly useful in times of technological and organisational change since it aids the employees in deriving meaning of change and behaviour modification.

The other notable strand is the difference between motivation and capability. When employees do not have knowledge, tools, authority or time, transformational leadership will not enable them to turn motivation into performance and become more willing to contribute and build confidence. This is why new research is linking leadership to organisational capabilities, HR practices and agility more. The AMO approach applied by Waseem et al. (2025) is specifically helpful since it distinguishes between ability, motivation, and opportunity. Transformational leadership can sometimes be most effectively realized when leaders are able to inspire employees as well as assist in training, acquisition of information, decision latitude and chances to implement new ideas. This supports the findings of Almazrouei and Alnahhal (2025) that digital agility includes leadership as a contributor to performance via organisational conditions permitting adaptability. The more general interpretation is that the generation of performance is an interrelationship between leadership behaviour and work system within which employees work.

There exists systematic evidence of the entire positive direction of the relationship along with underlining several mediators and settings. Reviewing the literature on transformational leadership and firm performance, Agazu et al. (2025) concluded that most articles reported a positive relationship, and most relationships work through innovation, dynamic capabilities, and other organisational processes. Whereas firm performance is more expensive than individual performance, the review supports the notion that transformational leadership achieves its results by helping to make intermediate capabilities, rather than just inspiration. New meta-analytic studies and evidence support this and criticize universalism. Synthesising evidence based on hundreds of samples, Maneethai et al. (2026) provide results on positive relationships with both task and creative performance and key employee attitudes, but also indicate that occupational, cultural, and temporal contexts moderated these effects. A meta-analysis on the project level also produces a positive transformational-leadership effect with additional evidence that mediating mechanisms and cultural context moderates the strength of the correlation (Zhao et al., 2021).

Table 1
Recent Evidence on Transformational Leadership and Employee Performance

Study	Mechanism or Context	Contribution to Performance Evidence
Wang et al. (2021)	Employee engagement and affective commitment	Shows that transformational leadership can improve job performance partly through stronger employee attachment and engagement.
Shao et al. (2022)	Affective commitment	Supports affective commitment as an important pathway connecting transformational leadership with employee performance.
Qalati et al. (2022)	Organisational citizenship behaviour	Indicates that discretionary cooperative behaviour helps translate transformational leadership into higher employee performance.
Teoh et al. (2022)	Leadership dimensions in hospitality	Demonstrates that individual transformational leadership dimensions do not necessarily influence performance with equal strength.
Vila-Vázquez et al. (2024)	Task significance and work engagement	Provides evidence for a sequential pathway in which meaningful work and engagement help explain improved task performance.
Olvera et al. (2024)	Trust, justice, and work engagement	Highlights the importance of relational fairness and trust in the broader leadership-engagement-performance process.
Waseem et al. (2025)	AMO framework and HR practices	Shows that leadership effects are reinforced when employees have the ability, motivation, and opportunity to perform.
Meiryani et al. (2022)	Remote-work context	Reports a non-significant direct effect in a pandemic remote-work setting, demonstrating that context can constrain leadership influence.

Recent research also identifies important boundary conditions. Reviewing the literature on employees via remote working during the pandemic, Meiryani et al. (2022) found that there was no significant direct impact of transformational leadership on employee performance but remote working conditions significantly influenced employee performance. This provides important contradictory evidence. Structural conditions like access to technology, arrangement of work, task constraints, and coordination distance in extreme disruptive environments can add a greater direct impact of the leadership. Ehrnrooth et al. (2023) also warns against the assumption that transformational leadership is always helpful in all employee results, revealing the role of workload and high-performance work system in thinking about employee's wellbeing. Collectively, these results affirm a contingent as opposed to a universal model of transformational leadership. This contextual view aligns with Mainka et al. (2025), who demonstrate that in blue and white-collar jobs, transformational leadership is a predictor of job crafting and individualised work arrangements differently.

Mechanism-driven research extends the explanation of the leadership-performance relationship further. Transformational-leadership effects can be transferred to job performance of nurses by psychological safety Wang et al. (2021), knowledge sharing, organisational identification, employee voice, and innovation climate can facilitate innovative work behaviour (Lin, 2023; Rafique et al., 2022). Transformational leadership is also associated with multilevel evidence that includes the team climate of innovation, psychological capital, and employee creativity (Xu et al., 2024). A combination of these studies would indicate that performance benefits are frequently achieved due to the ability and confidence of employees to speak up, knowledge sharing, adapt, and innovate.

PRISMA-style Study Selection Flow

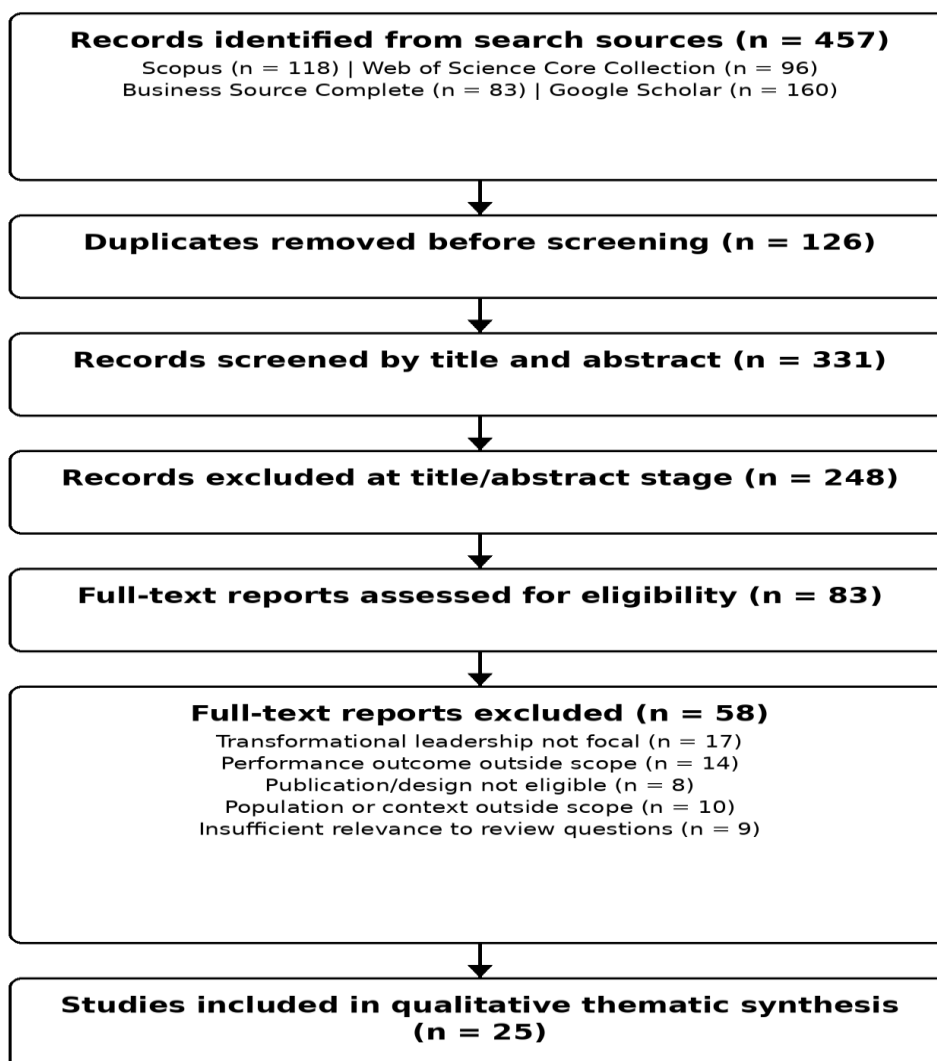


Figure 1: PRISMA-style Study-selection Flow

3. Methods

3.1. Review Design and Reporting

The article is presented as a systematic literature review with qualitative thematic synthesis of 2021–2026 evidence. PRISMA 2020 principles guide reporting where retained records allow Page et al. (2021) 25 substantive studies were synthesised.

3.2. Information Sources and Search Strategy

The revised search framework specifies Scopus, Web of Science Core Collection, Business Source Complete (EBSCOhost), and Google Scholar and was updated on 14 September 2026. Searches combined “transformational leadership” with performance and mediator/context terms. Publisher websites were used only for retrieval and DOI verification.

3.3. Eligibility, Selection, Quality Appraisal, and Synthesis

Eligible sources were English-language peer-reviewed articles, systematic reviews, or meta-analyses from 2021–2026 in which transformational leadership and performance were substantive. Duplicates, non-peer-reviewed items, out-of-period studies, and peripheral papers were excluded. Title/abstract and full-text screening were used. The study-selection pathway is summarised in Figure 1. Quality was judged from sampling, measurement, analysis, and limitations. The sole author coded six themes; lack of duplicate coding is acknowledged as a limitation.

4. Findings

Six themes emerged from the recent literature.

Table 2
Thematic Synthesis of Transformational Leadership Effects on Employee Performance

Theme	Evidence pattern	Managerial implication
Positive but mainly mediated effect	Most studies support a positive relationship, but performance improvements commonly operate through intermediate mechanisms.	Avoid treating inspirational leadership as a stand-alone performance intervention.
Employee engagement	Engagement repeatedly appears as a pathway linking transformational behaviours with stronger task and job performance.	Track engagement as an early indicator of whether leadership behaviours are translating into performance.
Meaning and commitment	Task significance, affective commitment, and identification help employees sustain effort and connect work with organisational purpose.	Communicate purpose while ensuring employees can see how their roles contribute to valued outcomes.
Citizenship, trust, and justice	Cooperation, discretionary effort, trust, and fair treatment support both individual and collective performance.	Pair leadership development with fair processes, recognition, and credible interpersonal treatment.
Organisational systems	HR practices, work design, capability, and opportunity can strengthen or weaken leadership effects.	Align transformational leadership with supportive HR systems and adequate resources.
Contextual limits	Remote work, workload, sector conditions, and uneven leadership dimensions can reduce or eliminate direct effects.	Diagnosing contextual barriers before assuming leadership training alone will raise performance.

Evidence traceability: Themes 1–2 are strongly supported by Hasan et al. (2023); Huang et al. (2025); Maneethai et al. (2026); Qalati et al. (2022); Vila-Vázquez et al. (2024); Wang et al. (2021); Waseem et al. (2025). Themes 3–6 are linked to the studies cited in Sections 4.3–4.6, including contradictory evidence from (Meiryani et al., 2022; Teoh et al., 2022).

4.1. Theme 1: Positive but Mainly Mediated Effect

Transformational leadership typically shows a positive correlation with the performance of employees, but the relationship is often described as mediated rather than purely direct. Qalati et al. (2022); Teoh et al. (2022); Vila-Vázquez et al. (2024); Wang et al. (2021); Waseem et al. (2025) all present evidence on how transformational leadership or transformational behaviours is related to more performance outcomes. Agazu et al. (2025) in the systematic review also report only positive relationships on the firm level, which are predominant. The overlapping of sectors indicates that the concept of transformational leadership can still be relevant in modern organisations, but the mechanisms are not the same. The same general trend of the findings of SMEs and hospitality is associated with finding the connection between transformational leadership and better employee performance, based on innovation, creativity, and favourable organisational environments (Luta et al., 2025; Nasir et al., 2022).

4.2. Theme 2: Employee Engagement as a Performance Pathway

One of the most evident mechanisms where leadership is connected to performance is employee engagement. Wang et al. (2021) report partial mediation by engagement and Vila-Vázquez et al. (2024) report that job engagement is a component of a sequential process of transformational leadership to task performance. Such studies reveal that the employees are in their best functioning when the leadership enhances their psychological presence, energy, commitment and desire to work hard. The performance is thus influenced partly by transformational leadership through the quality of the relationship employees have with their work. Hasan et al. (2023), also relate work engagement to the core of job performance in nurses, whereas Huang et al. (2025) demonstrate that in intensive-care nursing, psychological empowerment and work engagement are mediators in the relationship, at least partially.

4.3. Theme 3: Meaning, Commitment, and Organisational Identification

Meaning, commitment and identification translate the messages on leadership into enduring work. Transformational leaders relate day-to-day activity with an overall organisational mission. This may strengthen affective commitment and task significance so that performance is not dependent on external monitoring. The propagating action of affective commitment is demonstrated by Shao et al. (2022), whereas the significance of the task is emphasized by Vila-Vázquez et al. (2024). The general rule is that workers tend more to stick and to work when they see the relevance of their work to the organisation and the individuals feel emotionally invested in organisational objectives.

4.4. Theme 4: Citizenship Behaviour, Trust, and Justice

Social and cooperative mechanisms are important. Qalati et al. (2022) define organisational citizenship behaviour as one of the mediators, implying that transformational leadership motivates the employees to assist others and engage in activities that are not required by formal jobs. As demonstrated by Olvera et al. (2024) trust and justice can relate leadership with team-level performance and quality of services as well. These results broaden the scope of performance. Good performance does not just mean a single worker accomplishing the set tasks effectively, but it should also mean collaboration, sharing of information, support of one another and social atmosphere which enables work to run well.

4.5. Theme 5: Organisational Systems and Enabling Conditions

The impact of leadership is influenced by organisational systems and states of changes. Waseem et al. (2025) reveal that the practices of ability-enhancing, motivation-enhancing, and opportunity-enhancing can explain the process of leadership turning into job performance. Almazrouei and Alnahhal (2025) illustrate that the relationship between digital transformation and agility in an organisation exists as a mediator in a public-sector context. These findings imply that transformational leadership style works best when organisations offer enabling systems. Vision that lacks resources, skills, decision latitude and supportive processes are likely to motivate employees in the short term but not long

term high performance. Bauwens et al. (2024) also demonstrate how transformational leadership may be used to complement performance-management systems to facilitate innovative work behaviour, which demonstrates that the performance of leadership relies on the management architecture in place.

4.6. Theme 6: Contextual Limits and Boundary Conditions

The relationship is contingent, and direct effects are sometimes non-significant. The study by Meiryani et al. (2022) revealed no significant prediction of performance by transformational leadership in the context of a pandemic remote-working context. Teoh et al. (2022) also discovered that not all dimensions of transformational leadership had a significant influence on performance. Significance of these findings can be seen in the fact that this prevents over idealised interpretation. Leadership is expected to work in concert with task structure, technology, workload, employee expectation, work location as well as organisational systems. Transformational leadership is ineffective in correcting all structural constraints; however, it can establish potent motivation and relationship foundations.

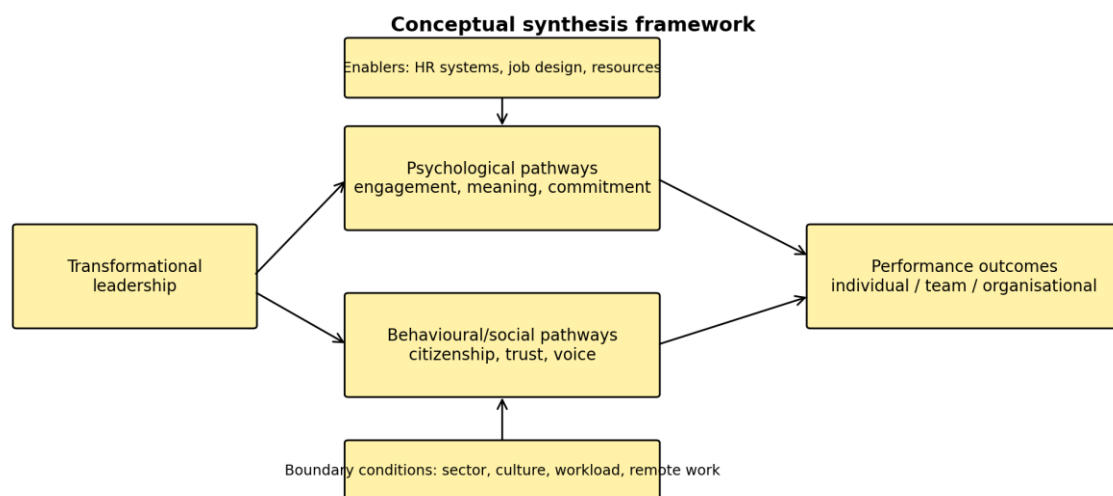


Figure 2: Conceptual Synthesis Framework

5. Discussion

The current review has summarised new literature to understand the connection between transformational leadership and employee performance considering the processes under which leadership correlates with performance and under what circumstances the organisational conditions might be different across studies. Synthesis The relationship between transformational leadership and desirable results in performance is generally positive, but the data does not mean that it can be interpreted as singular and inconsistent with situational requirements. Rather, the studies reviewed seem to recognise inter-related psychological, behavioural and organisational processes that aid in elucidating the relationship of transformational leadership with employee performance. This meaning aligns with the more general results of Agazu et al. (2025) and Maneethai et al. (2026) but brings a new twist to the programme by discussing both the mechanisms at the employee level and the organisational/project-level results.

This interpretation is more functional as opposed to a naive argument that charismatic or inspirational behaviour is the direct cause of performance. Vision works once the employees can translate it to their work. Performance is more likely to be influenced by inspirational motivation when the employee comprehends the importance of the task, has the required skills, access to resources and perceives that the leaders are fair. Individualised consideration stands a better chance of being significant when support is in fact responsive to needs of employees. When it is discretionary upon employees to experiment and it is not automatically penalized upon a blunder, intellectual stimulation plays a more effective role. Transformational leadership then is envisaged as an enabling leadership system and not a set of motivational speeches.

The findings also have practical implications for management. Leaders who can communicate purpose, individual contribution, foster positive challenges and relate strategic change to mundane work ought to be developed by the organisations seeking to enhance performance. Job-development practices should be linked with leadership development and human resource provision of ability, motivation and opportunity. The results of Waseem et al. (2025) is particularly relevant here: the leadership and HR systems are to support each other instead of being separate interventions.

Employee engagement is also to be considered a significant diagnostic mechanism. When the transformational leadership behaviours exist, but the engagement is low, managers need to analyse workload, autonomy, task significance, psychological safety as well as resource availability. The mediation evidence indicates that leadership-performance pathway can be disrupted by poor engagement. On the same note, low trust or weak affective commitment may be an indication that the leadership messages are not perceived as credible by the employees. The results supporting the diagnosis in psychological safety and empowerment are that workers are better placed to translate inspirational leadership into performance where they feel safe to contribute and are adequately empowered to act (Huang et al., 2025; Wang et al., 2021).

Another significant implication is the social aspect of performance. Qalati et al. (2022) and Olvera et al. (2024) demonstrate that citizenship behaviour, trust, and justice are important. This implies that performance management systems must not be reduced to ensure that individual performance is monitored. Leaders are advised to create an environment of knowledge sharing, mutual support, stable teams and quality of service. Additional value could also be created by the leaders through transformational leadership when employees are convinced that shared victory is important and that non-traditional contributions are appreciated.

5.1. Theoretical Implications

The initial theoretical contribution deals with the difference between the behaviours of leadership and the process through which the behaviours are linked to the performance. According to transformational leadership theory, inspirational motivation, idealised influence, intellectual stimulation and individualised consideration are notable behaviours that constitute leaders (Bass & Riggio, 2006). The reviewed evidence, however, points to the fact that such behaviours cannot be seen as satisfactory explanations of employee performance in isolation. The results of studies attributing employee engagement, importance of tasks, and affective commitment as mediating variables, are that leadership is related to performance in part because it transforms the psychological connections of employees with their work and organisation (Shao et al., 2022; Vila-Vázquez et al., 2024; Wang et al., 2021). These results contribute to the interpretation of transformational leadership where work-related attitudes and perceptions of employees play a significant role intermediating between the output of the performance and the leader's behaviour.

The second contribution is related to behavioural and relational pathways related to performance. The correlation between leadership and performance does not seem to be limited to individual motivation, and evidence on the organisational citizenship behaviour, psychological safety, interpersonal justice and horizontal trust suggests this. The behaviours of the leadership can also impact cooperation, the readiness of employees to give, and the quality of workplace relationships (Olvera et al., 2024; Qalati et al., 2022; Wang et al., 2021). However, analytical differences cannot be overlooked. An example is an analysis of Olvera et al. (2024) which found that mediation stemmed through interactional justice and horizontal trust at the team-level, and mediation on the cross-level between team trust and individual performance was non-significant, with work engagement controlling the results. This means that the results of analysis at other levels cannot be mixed up into a single unspecified statement about individual employee performances.

The third theoretical input is associated with organisational enabling conditions. According to the AMO view, the performance of employees is not solely a result of motivation, rather, motivation needs the capabilities and opportunities to turn motivation into productive behaviour. The empirical results of Waseem et al. (2025) can be used to

investigate the practice of AMO as a behavior that links transformational leadership to job performance. In a similar manner, Almazrouei and Alnahhal (2025) found that the concepts of digital transformation and organisational agility are also applicable to the context of the UAE public-sector. This research imply that leadership behaviours are installed into systems of organisations and that the implications of these performances can be conditional upon the presence of encouraging practice and capability. The synthesis of the transformational leadership theory and the AMO point of view thus offer a valuable account of the lack of consistency in the motivation related to leadership and its rising levels of performance in the organisational context.

5.2. Contextual Conditions and Inconsistent Findings

Another issue that the review addresses is that when it comes to positive findings, one must consider inconsistent results instead of assuming that they are universally applicable. Teoh et al. (2022) have shown that the four dimensions of transformational leadership were not similarly related to employee performance in hospitality industries of Malaysia. Their results show that the study of transformational leadership as a single construct cannot identify the variations in individual leadership behaviours.

Likewise, Meiryani et al. (2022) found that the effect of transformational leadership on linear employee performance was not significant in a specific sample of remote working during the pandemic. This finding is contrary to research that has revealed a strong positive association in the context of hospitality, healthcare and other organisational environments. But the research does not prove the overall fact that remote working would wipe out the impact of transformational leadership, as it did not show a universal mediating impact. Instead, the results demonstrate how crucial it is to look at the nature of work, arrangement of work, organisational support, as well as research variance in interpreting variability across studies.

These are findings in line with wider contextual focus of (Maneethai et al., 2026). The value of the current review is that it relates contextual variation to employee-performance processes with the awareness that the studies that have been included may not be necessarily testing a shared set of moderators. On these grounds, the specified boundary conditions can be viewed as indicative of potential explanatory factors, as opposed to generally determined causal modulators.

5.3. Practical Implications

The results indicate that organisational leaders aiming to enhance the performance of employees should consider developing transformational leadership as an extension of organisational policy and not an independent management program. Leadership programmes can focus on expression of organisational mission, offer developmental assistance, promote positive problem-solving behaviour and acknowledge individual effort. Yet, the data about the engagement of employees, the role of tasks, and the sense of commitment have also suggested that organisations are also to address whether such leadership behaviours are correlated with meaningful work experience and positive attitudes of employees.

The results also demonstrate the necessity to streamline leadership development along with human resource management practices and work design. To work well employees, need pertinent skills, resources and chances to implement their knowledge. In this regard, the development of leadership can be supplemented by training, fair performance-management and proper decision-making opportunities, and supportive organisational systems.

Organisations must also evaluate whether specific leadership behaviours are suitable to both occupational and organisational situations to which they will be used. The dimensional results of Teoh et al. (2022) reveal that the individual transformational leadership behaviours could have various ties with the performance. Likewise, suggestions on leadership interventions are argued based on the evidence gathered through the remote-working contexts that indicate that leadership intervention is to be taken in

interaction with technological infrastructure, coordination patterns, and support of the personnel.

These implications can be viewed with caution as the studies reviewed vary in design and methodologies applied in their measurements and the current synthesis does not estimate the effectiveness of certain management interventions.

5.4. Directions for Future Research

Further studies should focus on investigating the leadership and performance correlation through longitudinal and multi-source research designs that would help to create a better temporal sequence and minimize the flaws of one-source and multi-source cross-sectional data used. Research also ought to differentiate task performance and contextual performance, organisational citizenship behaviour, innovative work behaviour and overall organisational consequences.

It should be further investigated whether psychological mechanisms act in a linear or autonomous manner and whether they are relatively more or less important in different occupations. A more holistic evaluation of these mechanisms could be done with research integrating leadership dimensions, employee engagement, organisational commitment, and AMO-related practices in highly defined models of design.

Lastly, the contextual conditions need to be addressed in future studies by using explicit moderation tests, as opposed to presuming moderation based on differences in findings among independent samples. Areas of interest include work arrangements, job insecurity, workload, resource availability and organisation support. This would assist in demystifying the time when transformational leadership correlates with better performance among employees and when organisational factors prevent the conversion of motivation in relation to its leaders into manifest performances.

6. Conclusion

The study is a synthesis of the research published in 2021 to 2026 that investigated the association between transformational leadership and employee performance with a specific focus on the psychological processes, behavioural mechanisms, organisational conditions and variation by location. In general, the evidence reviewed shows a positive relation between transformational leadership and employee performance. Nonetheless, these relationships are often described in terms of intervening processes rather than the action of leadership behaviours without reference to the psychological and organisational environments of the employees.

The synthesis defines employee engagement, affective organisational commitment, task significance, psychological safety, and organisational citizenship behaviour as key mechanisms that relate to the leadership-performance relationship. It also brings out the importance of interpersonal trust, organisational justice, employee's competencies, human resource management practices and organisational agility in the interpretation of leadership as it is related to performance. However, the results are not consistent among the studies. The variations in leadership aspects, workplace environments, work practices, and organisational factors indicate that a more context-dependent interpretation is necessary.

The main contribution of the review is the incorporation on the side of psychological and behavioural explanations and organisational explanation under an employee-based synthesis where individual performance is differentiated with associated team and organisational performance. Integrating transformational leadership theory with the AMO approach, the review gives rise to an interpretive framework where the motivation associated with leadership is viewed as well as the possibilities and opportunities that employees have to deliver a good performance. Such a viewpoint offers grounds to future studies that explore the mechanisms and situational circumstances of leadership-performance relationships.

In terms of management, the results indicate that transformational leadership development must be incorporated with supportive working design, employee development, sufficient resources and proper human resource management practice. Any leadership efforts should thus focus on the behaviours of the managers besides the organisational forces that allow employees to turn motivation and commitment into effective performance. Despite the literature available on how transformational leadership is still relevant, it is important to view its performance implications as subject to the psychological, behavioural and organisational processes the leadership functions continue to engage in.

6.1. Limitations and Future Research

There are limitations to this review. It relies on a targeted secondary qualitative synthesis and not formal meta-analysis and the studies sampled vary by sector, country, sample, measures of performance, and analytical design. Several studies rely on cross-sectional surveys, which restrict causal inference. Further studies must adopt longitudinal and multi-source designs, quantify task performance as well as contextual performance, and study the transformational leadership in hybrid, AI-capable, and highly distributed workplaces. More focus should also be on the possible negative aspects such as dependence on leaders, emotional stress, strain at work and cases where inspirational expectations surpass the available resources.

Author Contributions

Abdulla Saif Hamad Binsulaiman Alshamsi: The sole author conducted the review, synthesis, drafting, and revision.

Conflict of Interests/Disclosures

The authors declared no potential conflicts of interest w.r.t the research, authorship and/or publication of this article.

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