

# The Impact of Transformational Leadership Styles and Organizational Culture on Employee Performance: Systematic Literature View

Rikardus Kurnia Lango<sup>1</sup>, Sopiah<sup>2</sup>

<sup>1</sup>Student, <sup>2</sup>Lecturer

S2 Management, State University of Malang

## Abstract

The research using the concept of Systematic Literature Review aims to find out the results of research from previous literature on the impact of Transformational Leadership Styles and Organizational Culture on Employee Performance. There were 32 kinds of literature found and subsequently selected using the Prisma method. The data collection uses the PICO method by using 2 sources to find literature, namely Google Scholar and the Garuda Portal. There are 32 kinds of literature that can be used according to the required standards. The results of this study found that 15 data had a dominant influence and 16 data had a non-dominant positive influence. There were 5 data that had significant negative results, and there were 13 journals that used other variables as mediating variables.

**Keywords:** Transformational Leadership Style, Organizational Culture, Employee Performance

## Introduction

A leader who applies a transformational leadership style can be seen from the way he treats his employees by leading them to behave positively in the work environment and emphasizing employees to work to improve common goals beyond the affairs of each employee who is outside his job (Erina, 2021). Transformational leaders can change employees' perceptions of their work environment and the values embedded in the organization in the companies where they work (Zainal, 2019). Employees are fully obedient to superiors by carrying out orders from superiors without coercion due to the close relationship established between leaders who apply a transformational style with employees (Simbolon, 2021). A leader who applies a transformational style is believed not to take advantage of his subordinates; the leader will be a reformer who will drive change in his organization for the better (Arman, 2019). A leader with a transformational style can pay attention to members who have differences, improve employee intellectuals, and have a positive influence on organizations and individuals (Prabowo, 2018).

Based on the opinions above, it can be concluded that a leader who applies a transformational leadership style has a trait that is liked by his employees namely, it can be seen that their relationship is established without any distance at all so that employees are sincerely willing to help their superiors and leaders can instill thoughts to prioritize work over other affairs of their employees outside of work and can guide to a positive path towards employees So that with this application, it can improve employee performance at work.

A leader who applies a transformational leadership style within a division or organization in a company can form habits of employees working within their organization. The habits that are lived are considered very common and are carried out many times to support their work. The habits that are carried out are called Organizational Culture. Work culture is a binding trait for employees because it is very connected to policies or written rules in the company (Zainal, 2019). Organizations are formed from employees who have various beliefs and norms and have different noble values and cannot unite them (Virgiawan, 2021). Based on this explanation, with an organization filled with people who have different views and a work culture that is binding because it is connected by company policies, the company must form a strong organizational culture, because it can have a positive effect on the progress of the company and the high effectiveness of the work of its employees. Organizational culture is employee behavior that is regulated by norms and values that apply in the organization and harmonizes the perceptions of each employee by fulfilling the obligations and rules that have been set by the company (Sinaga, 2018). Organizational culture increasingly exists and is sustainable if many employees in the organization understand, animate, and practice the beliefs, values, and customs of their organization (Mukminin, 2020).

A leader who applies a transformational style and an organization that has a strong culture, can improve employee performance who work in the company. Every employee has different performance because they have different work achievements as well. Performance is the result of achievements achieved by employees both in quality and quantity in carrying out the duties and responsibilities imposed on them (Erina, 2021). Performance is the result achieved by employees in working in accordance with applicable standards in the company and how important it is in the organization (Irwan, 2020). The performance of an employee is seen from the achievements of employees who meet formal requirements that are achieved beyond the limits of formal job descriptions carried out from the employees themselves who carry out obligations in helping the organization achieve their goals (Virgiawan, 2021). Work performance is seen by employees in achieving work results in terms of quality and quantity in a certain period that carries out duties following the responsibilities given by superiors (Putra, 2019).

Leaders in companies who apply a Transformational style that guides employees and has a close relationship with employees and the application of a strong and sustainable organizational culture can affect the performance of employees working in the company, so the author is interested in conducting a study entitled "The Influence of Transformational Leadership Styles and Organizational Culture on Employee Performance: Systematic Literature Review. The systematic Literature Review aims to examine several previously published studies related to the influence of Transformational Leadership Styles on Employee performance and the influence of Organizational Culture on Employee performance. Therefore, this research focuses on "The Influence of Transformational Leadership Styles and Organizational Culture on Employee Performance: Systematic Literature Review. The source of data in this study is previous research journals that are relevant to the focus of this study.

## Method

The PRISMA (Systematic Review and Meta Analysis) method will be used in Systematic Literature Review research that examines the influence of Transformational Leadership Styles and Organizational Culture on Employee performance. The PICO (Population, Intervention, Comparison, and Outcome) method is used to collect data sourced from 2 accesses, namely Google Scholar and the Garuda Portal.

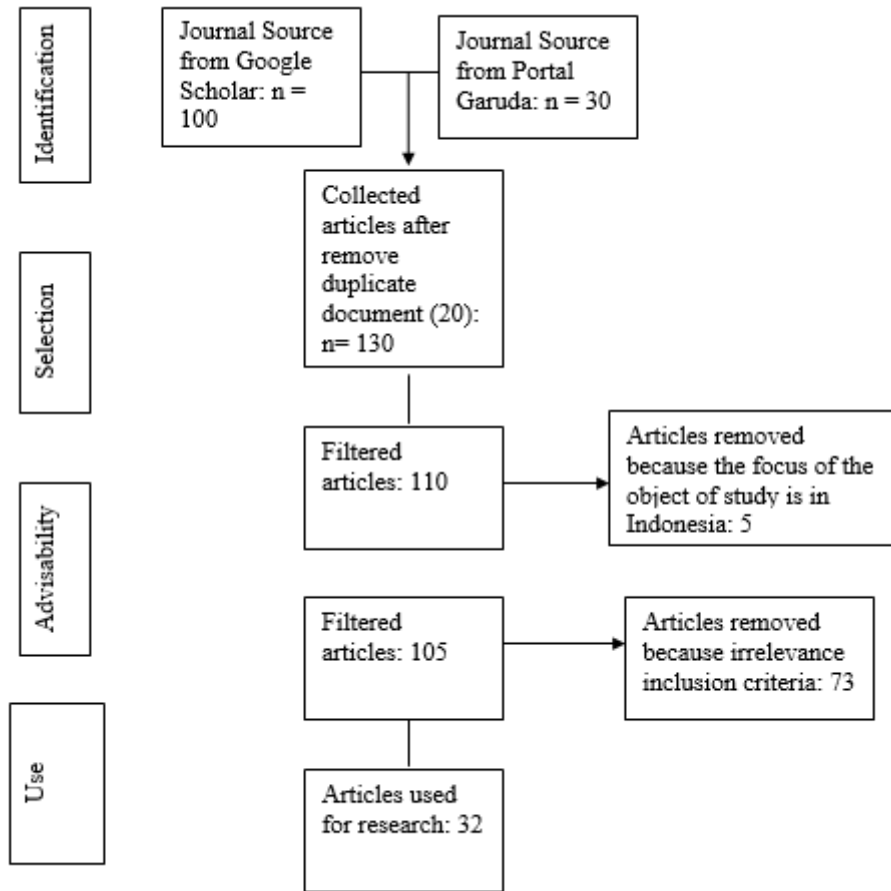


Figure 2.1: PRISMA Method

The PICO method is used by researchers to find literature that matches the research title set by the author. Journal data sources used in Google Scholar and the Garuda portal use keywords namely **influence/relationship, Transformational Leadership Style, Organizational Culture, improving/against Employee performance**. The next step is for researchers to develop data inclusion criteria that aim to select the article data obtained so that researchers get the appropriate literature and the desired content.

PICO	INFORMATION
Population	Leaders and or employees of the company
Intervention	Transformational Leadership Style and Organizational Culture
Outcome	Employee Performance

Tabel 2.1: PICO

**Data Inclusion Criteria**

After compiling the PICO table, the reviewer will compile the various data inclusion criteria that will be used in this Systematic Literature Review study. The criteria are structured as follows:

Type	Inclusion
Article Type	Research Article
Year	2017-2022
Article source	National Literature in English and Indonesian
Sample	Leaders and employees of companies and / or agencies in Indonesia
Research Method	Correlational

Tabel 2.2: Data Inclusion Criteria

## Result

The results of the research conducted in conducting a review of the collected literature that discusses the influence of transformational leadership styles and organizational culture on Employee performance. Based on all the journals sought, there are various discoveries in the research. Researchers have found 38 journals as sources of literature review data. Researchers also screened the journals using the PICO method and compiled data inclusion criteria to find out which journals are suitable for use in this study 32 journals are found that are suitable for use in the literature review research process. For this reason, the following is an exposure to the results of the literature review that is following the data.

## Characteristics of Literature Review

The following will be presented the journals used in the Literature Review research. The characteristics of these journals have been selected through the data inclusion method and refer to the criteria in which they are arranged in the data inclusion table.

Based on the results of journal searches used as Literature Review data, journals published in 2017 were 12%, in 2018 it was 15%, in 2019 it was 21%, in 2020 it was 25%, in 2021 it was 18% and journals published in 2022 were 6%. Based on the title of the study, 7 journals examine transformational leadership styles toward Employee Performance, 19 journals examine Organizational Culture towards Employee performance, and 5 journals examine Transformational Leadership Styles and Organizational Culture towards Employee performance. 3 kinds of literature examine transformational leadership styles using mediating variables and there are 12 literatures that examines Organizational Culture using mediating variables and 2 literature that examines transformational leadership styles and Organizational Culture using mediating variables. All Literature data in this study is correlational research with the division of research subjects, namely employees and leaders as well as employees. There is 40% literature with the subject of leaders as well as employees and 60% literature with the subject of employees only.

The author managed to find 32 journals used for data analysis. The literature used is literature that uses Indonesian and English are all correlational research and have been published internationally.

## Literature Review Analysis

The authors studied 32 research literature journals. A total of 31 research journals used more than 1 unbound variable such as work environment, work motivation, organizational commitment, and others. From the results of 32 journals that have been studied, the authors have classified them into 4 groups, namely journals that have significant positive research results dominant, positive significant non-dominant, negative significant, and journals that have mediating variables.

### 1. Literature with significant positive influences is dominant

Based on the literature used in this study, there is literature that has significant positive results between Transformational Leadership Style and Organizational Culture toward Employee Performance. This positive and dominant influence shows that the results of the study show a positive impact. So that this indicator means that there is a role of transformational leadership style adopted by company leaders and the application of organizational culture which has an important role in increasing employee performance of employees.

Many 8 kinds of literature examining Transformational Leadership Styles have predominantly positive results towards Employee performance. The results of research conducted by (Erina, 2021) show that the application of the Transformational Leadership Style adopted by the leadership of CV Artha Mandiri Medan has a dominant impact on Employee performance. In line with the research conducted by (Pamungkas, 2022) that the dominance of the application of the Transformational Leadership Style where the leader prioritizes familiarity with its members is very effective in increasing Employee Performance. There are 7 kinds of literature examining Organizational Culture has positive and dominant results on Employee performance. Research conducted by (Zainal, 2019) has the result that Organizational Culture is more dominant than Transformational Leadership Style towards Employee performance in PT. Telkom Riau Mainland Office means that the implementation of their organizational culture is very strong to support their work so that it can have an impact on the performance of its employees.

## **2. Literature with significant positive influences is not dominant**

Literature that is included in this group is literature that has research results where the free variable has positive results but is not dominant which means that Transformational Leadership Style and Organizational Culture have a positive impact that is not dominant on employee performance so that the dominant variable is another variable that is outside the focus of the researcher in this study. Based on the 32 pieces of literature studied, there are 3 pieces of literature that examine the variables of Transformational Leadership Style and 13 pieces of literature that examine variables of Organizational Culture that have positive results that are not dominant. The research conducted by (Simbolon, 2022) has the result that the variables of transformational leadership style and organizational culture have positive but not dominant effects, the more dominant other variables in the study. In line with the research conducted by (Zainal, 2019) that the application of a strong organizational culture has only less positive impact than the application of a transformational leadership style that is statistically more dominant for improving employee performance at PT Telkom Riau.

## **3. Literature with significant negative influences**

Based on research from 32 kinds of literature that have been examined, it was also found that the results of variable research have a negative influence on bound variables. There are 5 kinds of literature that have significant negative results, each of which is a study using the Transformational Leadership Style variable in as many as 2 kinds of literature and the Organizational Culture variable in as many as 3 pieces of literature. The results of the research shown (Prabowo, 2018) suggest that the Transformational Leadership Style negatively affects Employee Performance at the Kartika Graha Malang hotel, this shows that leaders who have implemented the Transformational Leadership Style have no hand in improving Employee Performance, in line with research conducted by (Lee, 2018) that the application of transformational leadership style is still lacking in North Kalimantan coal companies because its leaders tend to pay less attention to their employees and play less role in authorizing their employees.

Research conducted by (Paais, 2020) has the result that organizational culture has a negative impact on employee performance, this shows that the application of organizational culture in the regional secretariat agencies of South Sulawesi regencies/cities has not had a real impact on improving Employee performance, the cause is because there are still weaknesses in the application of organizational culture, in line with research conducted by (Wahjoedi, 2021) that synchronization of organizational culture is needed Employee Performance expected by the company with the Organizational Culture created so that the organizational culture has a positive impact on Employee Performance.

#### **4. Intervening Variable**

The intervening variable is the connecting variable between the free variable and the bound variable. In the literature that has been studied as many as 32 kinds of literature, there are 17 pieces of literature that have intervening variables used in the study. The intervening variables used from 17 literature are job satisfaction, motivation, organizational commitment, and others. The research conducted (Irawati, 2017) used the variable Job Satisfaction as an intervening variable in employee research at IIB Darmajaya. The research conducted by (Iskandar, 2018) also used a mediating variable, namely the organizational commitment variable whose object of research is the agency at the Ciamis Police.

#### **Discussion**

Transformational Leadership Style is a style applied by a leader in an organization that prioritizes a positive approach to employees and has a positive impact on the organization he leads. Based on the literature researched by the author, the commonly used indicators in Transformational Leadership Styles are Charismatic, inspirational motivation, Intellectual Stimulation, and Individual Considerations. Companies whose leaders adopt a transformational leadership style that prioritizes closeness to employees and has a good influence can potentially have a positive impact on Employee performance. This result has been proven by literature that has positive results although there is also literature that has significant negative results. In addition to the leader factor that implements the leadership style, Organizational culture also has a role in influencing the impact of employee performance in the company or agencies. Organizational culture is a trait and habit that is always done by employees to support their work so that the work done becomes more effective. Organizations that already have a strong culture can run work operations effectively so that they can improve the performance of the organization and course improve the performance of those employees as well. This has been proven by the results of literature research used by the author that Organizational Culture has a positive effect on Employee performance, although there is literature that has the opposite result.

The author has searched 38 pieces of literature from 2 different sources, namely from the Garuda Portal and Google Scholar, and selected the journal using inclusion tables and prism methods, so it was found that as many as 32 journals can be used in this Systematic Literature Review research. The result is that there are 8 literature with the variable Transformational Leadership Style having positive and dominant results. One of the research results obtained by (Erina, 2021) is that the leaders in the CV Artha Mega Mandiri Medan company have implemented this leadership style by providing a positive approach to their employees so that employees admire the leadership very much and work optimally so that they can improve employee performance. Research conducted (Sinaga, 2018) shows that the existence of a leader who can inspire and motivate employee morale has a dominant impact on employee performance. In line with the results of the research researched by (Yanto, 2021) that the leaders in the company PT. KT Listrik

can be a role model for his subordinates and be responsible by researching work problems to improve the performance of his subordinates.

There is 7 literature with a variable of Organizational Culture having positive and dominant results towards Employee performance. The results of the research shown (Hermawan, 2019) at the Indomaret location in the South Surabaya region show that the application of employee organizational culture is already strong so that it has a positive and dominant impact on Employee Performance. In line with the research conducted by (Syahrudin, 2020) whose research results show that the application of a structured organizational culture can have a good and dominant impact on employee performance at the Ministry of Religious Affairs office in Bima City to improve the quality of human resources in the agency. Research (Syardiansyah, 2020) shows that the Organizational Culture variable has a more dominant impact on employee performance than other variables studied, namely the job satisfaction variable.

The results of the research from the literature used, there is also literature that has positive results that are not dominant which means that there are other free variables that have dominant results than the variables of Transformational Leadership Style and Organizational Culture towards Employee performance. 3 research pieces of literature examine Transformational Leadership Styles on employee performance that have non-dominant positive results. Literature from (Virgiawan, 2021) has the results of research that the variable Transformational leadership style has a non-dominant influence on employee performance in the Ministry of Public Works and Public Housing agencies, which means that leaders who implement transformational leadership have a not big impact on employee performance. The research conducted by (Zainal, 2019) has the results of research that Transformational Leadership has a positive impact but is less dominant than the variables of organizational culture in PT. Telkom Riau. There are 13 pieces of literature where the Organizational Culture variable has a non-dominant positive impact on Employee performance. The results of research conducted by (Mubarok, 2019) stated that the organizational culture variable has a positive influence of 40% on employee performance, while the motivation variable influences 58% so the motivation variable has a more dominant positive impact. The research compiled by (Mukminin, 2020) has the same result that the variable of non-dominant organizational culture has a positive influence on the performance of employees in public works employees in Maros, so the positive impact of applying organizational culture on employee performance is less than other dominant free variables.

There are also literature results that have negative results against bound variables. There is 2 literature that examines transformational leadership styles that have a negative impact on employee performance. Research conducted by (Lee, 2018) that leaders in coal companies in South Kalimantan province lack communication with subordinates, leaders are very indifferent to their employees, and companies do not give more opportunities to strengthen leadership relationships with their employees from these factors, the results transformational leadership style research negatively affect employee performance, in line with research conducted by (Prabowo, 2018) that the application of transformational leadership style still does not encourage in improving employee performance at Kartika Graha Malang hotel. There is 3 literature that shows that Organizational Culture has a negative influence on Employee performance. Research (Irwan, 2020) revealed that the application of the concept of organizational culture in the South Sulawesi Regional Secretariat agency still has shortcomings so it needs to be improved in its application, in line with research conducted by (Paais, 2020) that the application of organizational culture at Wahana Resources Ltd has a negative impact on Employee Performance.

After knowing the results of the research literature, there is also literature that uses mediating variables in its research. Such research conducted by (Irawati, 2017) uses the variable Job Satisfaction as a mediation between the impact of organizational culture on Employee performance has the result that organizational culture affects employee performance through job satisfaction, which means that employees at IIB Darmajaya who implement a structured organizational culture can increase job satisfaction so that it has a significant effect on employee performance. The research conducted by (Pamungkas, 2022) has an intervening variable, namely the work motivation variable. The results of his research show that the implementation of good Transformational leadership in YPK Mandiri Hospital can increase the work motivation of its employees so that employees become motivated and can improve employee performance in the hospital.

### Conclusion

This research aims to examine the impact of the application of Transformational Leadership Style and Organizational Culture on Employee performance. A good Transformational leadership style is shown to a leader who has a good example, can face problems in the organization, and is a good example for his subordinates. Organizations that have a strong culture can support the work of the employees themselves so that the work becomes more effective. So that the application of a Transformational Leadership Style and a strong Organizational Culture is very helpful in improving employee performance. The object of this research is focused on companies and agencies located in Indonesia. A total of 32 kinds of literature were used by the author whose results are 31 studies examining that Transformational Leadership Styles and Organizational Culture has a positive influence both dominant and non-dominant on Employee Performance. These results show that leaders who have a transformational leadership style and employees who implement a good and structured organizational culture have a positive impact on employee performance because these variables support their work to be more efficient. There are also 5 literature that has negative results which are the cause of the weak application of organizational culture from their employees and very low leadership in paying attention to their employees at work. It was also found that 13 literature used mediating variables in conducting the study. The limitation of this study is that researchers only choose companies in Indonesia as their research objects, therefore researchers suggest to subsequent researchers to research company objects located abroad.

### References

1. Aprila, Z. A., & Artha W. (2020). The Effect Of Organizational Culture, Work Motivation And Work Experience On Employee Performance.
2. Arman, R., Wardi, Y., & Evanita, S. (2019). The Effect of Transformational Leadership and motivation on employee Performance.
3. Astuty, I., & Udin, U. (2020). The effect of perceived organizational support and transformational leadership on affective commitment and employee performance.
4. Erina, E. (2021). The Effect of Transformational Leadership and Organizational Commitments on Employee Performance in CV Artha Mega Mandiri Medan.
5. Hermawan, A. M., Putra, B. A., & Arif, M. (2019). The Effect Of Work Motivation, Work Discipline And Organizational Culture On Employee Performance In Indomaret Shop In South Surabaya.
6. Irawati, A. (2017). The Effect of Leadership Styles and Organizational Culture to Employee Performance Through Job Satisfaction as Intervening Variables (Case Study in IIB Darmajaya).



7. Irwan, A., Mahfudnurnajamuddin, M., Nujum, S., & Mangkona, S. (2020). The Effect of Leadership Style, Work Motivation and Organizational Culture on Employee Performance Mediated by Job Satisfaction.
8. Iskandar, G. B., & Anggraeni, A. I. (2018). The Effect Of Organizational Culture On Employee Performance: The Mediating Role Of Organizational Commitment.
9. Jufrizen, J., Mukmin, M., Nurmala, D., & Jasin, H. (2021). Effect of Moderation of Work Motivation on the Influence of Organizational Culture On Organizational Commitment and Employee Performance.
10. Laksmana, G. B., & Riana, I. G. (2020). Intrinsic Motivation Mediates The Influence Of Transformational Leadership On The Employee Performance.
11. Lee, C. W., & Hidayat, N. (2018). The Influence Of Transformational Leadership And Intrinsic Motivation To Employee Performance.
12. Lolowang, N. L., & Aisjah, S. (2019). The Effect Of Leadership And Organizational Culture On Employee Performance That Is Educated By Motivation (Study On The Implementation Empowerment Programs In Jayapura City).
13. Mubarok, E. S. (2019). The Effect of Organizational Culture and Work Motivation on Employee Performance: The Mediating Role of Job Satisfaction.
14. Mukminin, A. A., Semmaila, B., & Ramlawati, R. (2020). Effect Of Education And Training, Work Discipline And Organizational Culture On Employee Performance.
15. Paais, M., & Pattiruhu, J. R. (2020). Effect Of Motivation, Leadership, And Organizational Culture On Satisfaction And Employee Performance.
16. Pallawagau, A. (2021). The Impact of Organizational Culture, and Work Motivation on Employee Performance Through Employee Job Satisfaction PT. Kasmar Tiar Raya.
17. Pamungkas, Y. A., Iqbal, M. A., & Saluy, A. B. (2022). The Influence Of Transformational Leadership And Work Environment On Employee Performance Mediated By Work Motivation In Hospitals. Ypk Mandiri.
18. Prabowo, T. S., Noermijati, N., & Irawanto, D. W. (2018). The Influence Of Transformational Leadership And Work Motivation On Employee Performance Mediated By Job Satisfaction.
19. Putra G. N., & Putri G. A. (2019) Effect of Transformational Leadership and Organizational Culture on Employee Performance Mediated by Job Motivation
20. Rachmat, A., Noermijati, N., & Sudjatno, S. (2019). The Effect Of Work Environment And Organizational Culture On Employee Performance Mediated By Work Motivation (Study On Operational Field Employee Of PT. Bank Pembangunan Daerah Provinsi Jawa Timur Tbk).
21. Rantesalu, A., Mus, A. R., & Arifin, Z. (2017). The Effect Of Competence, Motivation And Organizational Culture On Employee Performance: The Mediating Role Of Organizational Commitment.
22. Simajuntak, S., & Tobing, S. J. (2017). The The Effect Of Motivation And Organizational Culture On Employee Performance In PT. LBUM.
23. Simbolon, N. L., & Priyonggo, B. S. (2022). Analysis of the Effects of Self-Efficacy Mediation and Organizational Commitment on the Effect of Transformational Leadership Style and Organizational Culture on Employee Performance of PT Sarana Lintas Caraka.

24. Sinaga, H. G., Asmawi, M., Madhakomala, R., & Suratman, A. (2018). Effect Of Change In Management, Organizational Culture And Transformational Leadership On Employee Performance PT. Adhyatirta Batam (PT. ATB).
25. Syahrudin, S., Hermanto, H., & Wardini, A. K. (2020). The Influence of Communication, Training, and Organizational Culture on Employee Performance.
26. Syardiansah, S., Latief, A., Daud, M. N., Windi, W., & Suharyanto, A. (2020). The Effect of Job Satisfaction and Organizational Culture on Employee Performance of the Royal Hotel in East Aceh District. .
27. Virgiawan, A. R., Riyanto, S., & Endri, E. (2021). Organizational Culture As A Mediator Motivation And Transformational Leadership On Employee Performance.
28. Wahjoedi, T. (2021). The Effect Of Organizational Culture On Employee Performance Mediated By Job Satisfaction And Work Motivation: Evident From Smes In Indonesia.
29. Widodo, D. S. (2017). The Effect Of Compensation, Leadership And Organizational Culture Through Work Motivation On Employee Performance.
30. Yanto, & Aulia, I. N (2021) The Effect of Transformational Leadership and Organizational Culture on Work Motivation and Employee Performance
31. Yoga, I. K., Sitiari, N. W., Sara, I. M., & Pertamawati, P. (2018). The Effect of Organizational Culture on Employee Performance Mediated by Work Stress: Study at PT ADIRA Dinamika Multifinance in Denpasar.
32. Zainal, H. (2019). The Effect of Transformational Leadership and Organizational Culture on Employee Performance PT Telkom Riau Daratan (Survey of PT Telkom Riau Mainland Offices).