

Research Article

Journal Transformational Leadership and Business Performance in Depok City

Hafniza Amir*, and Fortuna Zain Hamid

Politeknik Negeri Jakarta, Depok, Indonesia

Abstract.

This study aims to evaluate the level of workplace transformational leadership and business performance in the retail industry within Depok City. Data were collected through questionnaires completed by employees of various retail companies in the city. The results of this study provide an overview of how leaders in the retail industry influence employees and the extent to which their business performance is reflected in customer satisfaction and sales growth. The results show that business owners or leaders in the retail industry in Depok City have implemented many aspects of transformational leadership in their management. In conclusion, this study underscores the significance of transformational leadership in the retail context of Depok City. The implications of this research extend to both academia and industry. For scholars, the study contributes to the existing body of knowledge on leadership in the retail sector, providing insights into the practical application of transformational leadership principles.

Keywords: transformational leadership, business performance, retail industryCorresponding Author: Hafniza
Amir; email:
hafniza.amir@bisnis.pnj.ac.id**Published:** 29 August 2024Publishing services provided by
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1. Introduction

Recent globalisation has had a significant impact on the survival of organisations. Globalisation has also led to rapid changes in business, which requires organisations to be better able to adapt to any changes that occur [1]. A conducive and comfortable atmosphere in an organisation can be reflected as a positive attitude of employees that appears in good relationships among colleagues will certainly help improve performance [2], this can be created if job satisfaction has been felt in an organisation [3]. Employee job satisfaction needs more attention so as to increase employee commitment [4]. As the globalized landscape continues to evolve, this paper seeks to explore the nuanced interplay between organizational culture, job satisfaction, and employee commitment. Drawing upon international perspectives from reputable journals, the research aims to contribute valuable insights into the strategies organizations can adopt to thrive amidst the challenges posed by globalization, emphasizing the pivotal role of employee satisfaction and commitment in this intricate milieu.

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Leaders are the driving force in achieving a goal in the organisation. Leaders are considered capable of changing the organisation or an institution to have a more advanced and better future as well as being able to influence their subordinates to carry out their duties and obligations according to applicable regulations [5]. Transformational leaders are leaders who can transform the organisation in order to achieve the goals they have formulated [6], and are one of the well-known leadership approaches, in managing subordinates, transformational leadership is more holistic than transactional methods [7]. Transformational leadership has emerged as an increasingly important paradigm in achieving superior performance and sustainable development [8]. Transformational leaders encourage and stimulate followers to question core assumptions about the competitive environment, reformulate problems, and revise proposed solutions accordingly [9]. Transformational leadership style benefits not only individual but also overall organisational performance [10]. As we embark on this exploration, it is imperative to delve into the existing body of knowledge to understand the intricate relationships between transformational leadership, organizational dynamics, and performance. Drawing insights from these diverse perspectives, our research aims to contribute to the state-of-the-art understanding of transformational leadership's multifaceted impact on organizations and their members.

This study aims to understand the relationship between transformational leadership in the workplace and business performance in the retail industry in Depok City. Transformational leadership is defined as the leader's ability to motivate and inspire employees to achieve better results. Business performance is measured through sales growth, customer satisfaction, and operational efficiency.

2. Methods

Data were collected through questionnaires completed by employees from various retail companies in Depok City. The questionnaire consisted of two parts: first, measuring employees' perceptions of transformational leadership in the workplace, and second, measuring their perceptions of their workplace business performance. details of the research methods used:

2.1. Determination of population and sample

- a. Population: Retail industry within Depok City, which has eleven sub-districts.

b. Samples: A number of retail industries that represent the characteristics of the population in each sub-district were sampled.

2.2. Data collection

a. Survey with questionnaire as data collection instrument

b. The questionnaire consisted of questions on transformational leadership, business performance, and other factors that may affect business performance such as company size, product type, etc.

c. Questionnaires will be distributed to managers and employees of the retail industry selected as a sample in each sub-district, two samples will be taken.

d. The questionnaire and results are in the appendix.

2.3. Data analysis

a. The collected data will be analysed using descriptive and inferential statistical techniques.

b. Descriptive analysis is used to describe the characteristics of the sample, while inferential analysis is used to test the hypothesis.

2.4. Hypothesis testing

a. The hypotheses to be tested are the null hypothesis (there is no effect of transformational leadership on business performance) and the alternative hypothesis (there is an effect of transformational leadership on business performance).

b. Hypothesis testing will be carried out using multiple linear regression tests

2.5. Interpretation of results

a. The results of the analysis will be interpreted to test the hypothesis and answer the research objectives.

b. Conclusions will be drawn based on the results of analyses and comparisons with relevant previous research results.

2.6. Report writing

The results of the research will be outlined in the form of a research report that includes a title, abstract, introduction, theoretical framework, research methods, research results, discussion, conclusions, and suggestions.

3. Results

Based on this research, several conclusions can be drawn regarding transformational leadership in the workplace and business performance in the retail industry in Depok City:

(1) Most respondents perceived moderate to high levels of transformational leadership in their workplace. This indicates that the majority of respondents perceive leaders' efforts to inspire, motivate and drive positive change.

(2) Workplace leaders tend to encourage initiative, creativity, and communication of a strong and inspiring vision. This indicates an effort in directing employees to achieve higher goals and improve their skills.

(3) Direct interaction with the leader is frequent, which indicates good communication between the leader and team members.

(4) The majority of respondents feel that their leaders model positive behaviour and integrity in their daily work. This reflects the leader's ability to be a role model and exercise transformational leadership.

(5) Leaders are considered effective in motivating employees to achieve better results, as the majority of respondents feel encouraged to achieve higher levels of performance.

(6) Leaders have a good ability to manage workplace conflict proactively and constructively.

(7) There is still room for leaders to give greater responsibility to employees and more actively support their career development.

(8) Although leaders often give rewards and appreciation, improvement is still needed in this aspect to further enhance mutual respect.

(9) Workplace leaders are perceived as actively supporting collaboration and teamwork, which is a positive sign in building an inclusive work environment.

(10) The majority of respondents feel supported and valued by leaders in achieving personal and organisational goals.

(11) Leaders are considered responsive to ideas and suggestions put forward by employees, which supports an inclusive and participatory culture.

(12) Leaders are perceived as being able to bring about positive change in the workplace fairly frequently, which demonstrates an ability to manage organisational transformation.

The results of the research on business units as follows:

a. Business performance in terms of sales growth was rated good to very good by most respondents.

b. The majority of respondents believe that their workplace business performance is competitive in the retail industry within Depok City.

c. Business performance has a positive impact on customer satisfaction, with the majority of respondents satisfied with the services provided.

d. Operational efficiency is considered fair to good by most respondents.

e. The workplace has a tendency to adopt change or innovation regularly in an effort to improve business performance.

4. Discussion

The results of this study indicate a relationship between transformational leadership in the workplace and business performance in the retail industry. Leaders who are able to motivate employees and create a supportive work environment tend to have better business performance.

As one of the questions in the questionnaire

16. To what extent do you feel supported and valued by your leader in achieving personal and organisational goals?

a. Very low

b. Low

c. Medium IIIII IIII = 9

d. High IIIII III = 8

e. Very high IIIII = 5

From this distribution, we can conclude that the majority of respondents (9 out of 22) felt that they received moderate support and appreciation from their leaders in achieving personal and organisational goals. There were also a number of respondents (8 out of 22) who felt that they received a high level of support and appreciation, and a few respondents (5 out of 22) who felt very high.

In general, this is a positive result indicating that most respondents feel supported and valued by their leaders in achieving personal and organisational goals. This could be taken as an indication that there is a positive relationship between respondents' perception of support and appreciation from leaders and their perception of transformational leadership in the workplace.

19. How does your leader manage communication among team members?

- a. Encourage open and effective communication IIIII IIIII IIIII III = 18
- b. Quite supportive, but sometimes there are communication barriers III = 3
- c. Inactive in managing communication among team members
- d. Ineffective or limited communication I = 1

From this distribution, we can conclude that the majority of respondents (18 out of 22) feel their leaders encourage open and effective communication among team members. A small number of respondents (3 out of 22) felt their leader was quite supportive, but that communication barriers sometimes occurred. No one chose the option that the leader is not active in managing communication among team members, and only one respondent felt communication was ineffective or limited.

5. Conclusion

This study indicates that transformational leadership in the workplace contributes to good business performance in the retail industry in Depok City. However, there is still room for improvement in some aspects of leadership and business performance.

6. Suggestion

In an effort to improve business performance, leaders in the retail industry in Depok City can be more active in providing constructive feedback to employees and supporting the development of their skills and potential. In addition, retail companies can also continue to encourage innovation and improve operational efficiency.

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