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HUMAN RESOURCE MANAGEMENT | RESEARCH ARTICLE

Literature Review of Transformational Leadership: A Study of Effective Leadership Strategy

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Abstract: In the Industrial Revolution 4.0 and Society 5.0 era, companies face the challenge of continuously adapting and improving human resource competencies as the key to success. High team member performance is crucial and is influenced by transformational leadership. An in-depth understanding of effective leadership strategies supporting positive organizational transformation is important to study. Although previous research has explored transformational leadership, comprehensive analysis of leadership strategy variables that support transformational leadership effectiveness is still limited. This study seeks to fill this gap by profoundly analyzing the leadership strategy variables that are key to the success of transformational leadership. This study aims to explore and analyze the variables of effective leadership strategies, especially in the context of transformational leadership. This research uses a qualitative approach by reviewing 10 related journals, consisting of 7 national and three international journals, published in the last 5 years (2018-2023). The data processing technique used content analysis to identify and examine leadership strategy variables that support the effectiveness of transformational leadership. The results revealed that effective communication, developing an inspiring vision, empowering employees, and establishing an organizational culture that supports change are key leadership strategy variables in supporting the success of transformational leadership. The findings of this study have important implications for management practitioners and policymakers in developing effective transformational leadership in organizations. Future research can explore the empirical impact of implementing leadership strategy variables on organizational performance.

Keywords: Transformational Leadership, Leadership Strategy, Organizational Transformation.

JEL Classification Code: M12, M14, O15.

1. INTRODUCTION

The Industrial Revolution 4.0 and Society 5.0 forced companies to follow changes in the work system. Companies are encouraged to adapt to new standards in responding to emerging challenges. Companies are also always faced with demands to improve their internal level to compete. Improving human resource competency is key to improving the company's level. The quality of human resources and being a significant long-term investment is important to play a central role in building a superior company (Hendri et al., 2023). The concept of team member performance, or work performance, plays a vital role in achieving high performance levels, especially in sustainable company development. The quality of a company's services and products depends on technology and the workforce. Companies must have quality and high-potential employees and utilize the quality and potential of each HR in the organization to manage the company in order to achieve optimal results.

Improved team member performance is expected to bring progress to the company, enabling it to survive in unstable business competition. Team member performance reflects the achievement of the company's overall goals. Employee behavior, both individually and in groups, contributes positively



to the company's overall performance (Prawoto, 2022). It is increasingly important for companies to address the complexity and dynamics of modern organizations by following the trend of transformational leadership. This leadership model emphasizes achieving organizational goals, developing an inspiring vision, empowering employees, and changing organizational culture. An in-depth understanding of the variables of leadership strategies that support positive transformation becomes crucial. This study aims to explore and analyze the variables of effective leadership strategies, especially in the context of transformational leadership. This study is expected to provide valuable contributions to enrich our understanding of the role of leadership strategies in supporting the success of transformational leadership in organizations (Ramadhani, 2021).

2. LITERATURE REVIEW

2.1. Transformational Leadership

The organization's culture significantly develops from its leadership, and its culture can also affect its leadership development. For example, transactional leaders work within their organizational cultures following existing rules, procedures, and norms; transformational leaders change their culture by first understanding it and then realigning the organization's culture with a new vision and a revision of its shared assumptions, values, and norms (Bass & Avolio, 1993). Transformational leadership is, in some ways, an expansion of transactional leadership. Transactional leadership emphasizes the transaction or exchange among leaders, colleagues, and followers. This exchange is based on the leader discussing with others what is required and specifying the conditions and rewards these others will receive if they fulfill those requirements (Bass & Riggio, 2006).

2.2. Leadership Strategy Variables

Leadership strategy variables are defined as the object of the leader's approach to achieving transformational goals. One of the variables in the leadership strategy is effective communication. Leaders who are effective in communicating can influence subordinates, convey ideas, and build a shared understanding of the transformational vision. Clear and open communication is the foundation for forming a positive perception of the goals of change (Armansyah, 2020). Developing an inspiring vision is also an important strategic variable. Transformational leaders must be able to formulate a vision that is not only clear but also motivates and inspires team members. A strong vision is the main driver for achieving positive change and extraordinary performance. Employee empowerment is another identified strategic variable. Transformational leaders give subordinates trust, responsibility, and autonomy to contribute optimally. This empowerment creates an environment where creativity and innovation can thrive, supporting positive organizational change. Forming an organizational culture that supports change is also an essential strategic variable. Transformational leaders play a role in shaping organizational values and norms that support transformational change. A culture that supports innovation and adaptability is key to achieving transformational goals (Arina et al., 2019). Leadership strategy variables, including effective communication, vision development, employee empowerment, and organizational culture, are key to successful transformational leadership. This strategy drives positive change in organizational members. Effective communication creates an understanding of the vision and motivates active contribution. Vision development inspires direction and purpose, while employee empowerment creates a contributing environment. The formation of organizational culture supports positive transformation. The success of transformational leadership is achieved through a deep understanding and effective implementation of variables (Nur et al., 2021).

2.3. Effective Leadership Strategy

The transformational leadership paradigm contains the concept of leadership strategy effectiveness, which emphasizes that an effective leadership strategy involves a leader's ability to integrate policies and practices that support the organization's vision. Effective leaders can align

organizational policies with the vision that has been set. This includes planning and implementing policies consistent with the transformational goals to be achieved. An effective leadership strategy involves developing and implementing practices that directly support the organization's vision. This includes introducing best practices reinforcing transformational values and goals (Roni, 2019). Effective leaders design policies and practices and are actively involved in the implementation process. Direct involvement of leaders can increase organizational commitment to the transformational vision. Effective leadership involves the ability of leaders to make the right decisions in line with the organization's vision. Wise decision-making and focusing on transformational goals are key to leadership strategy (Nankervis et al., 2020). Effective leaders understand the impact of policies implemented on the entire organization. This includes sensitivity to the needs and aspirations of organizational members and the ability to adjust leadership strategies if necessary. Effective leadership strategies in transformational leadership are not limited to policy formulation when viewed from several aspects above but include implementation and a deep understanding of the impact on the organization's overall vision. This holistic integration is key to achieving practical transformational goals (Adiwantari et al., 2019).

2.4. Relationship between Leadership Strategy Variables and Transformational Leadership

The relationship between leadership strategy variables and transformational leadership indicates a crucial dimension in the foundation of organizational leadership. Role leaders who can implement effective leadership strategies have fundamental implications for creating positive change and providing substantial inspiration to their subordinates. Leadership strategy, in this context, involves a series of approaches carefully selected by leaders to achieve predetermined transformational goals (Nijjer & Raj, 2021). The careful implementation of leadership strategies can contribute significantly to the success of transformational leadership. Transformational leadership, which can be interpreted as a leader's ability to motivate and inspire organizational members towards achieving performance that is not only extraordinary but also transformative, explains that leadership strategy is not just a tool but a key element that moves organizations toward positive transformation (Jufrizen & Lubis, 2020). The relationship between leadership strategy variables and transformational leadership is significant in understanding how to increase leadership effectiveness in an organizational context. A detailed analysis of how leadership strategy affects the dynamics of transformational leadership can design a more focused and directed approach to an organization. This allows for optimizing leaders' efforts to achieve substantial positive change. This understanding is not only theoretical (Hairudinor & Humaidi, 2020). The application of this concept in a practical context becomes imperative. Organizations that understand and integrate these principles can more effectively guide their teams through the change process, develop a work culture that supports and encourages innovation, and ultimately achieve optimal performance. A deeper understanding of how leadership strategies relate to transformational leadership is a strategic move necessary for building a resilient and adaptive leadership foundation amidst the dynamics of contemporary organizations (Nankervis et al., 2020).

3. RESEARCH METHOD AND MATERIALS

The initial step in designing this research is to search for literature and focus on the core material in the literature. The researcher examined much literature related to transformational leadership, starting with understanding the conceptual framework, relevant theories, and previous findings related to transformational leadership. This literature search was done through Google Scholar, Semantic Scholar, and many other websites. This approach ensures that this research is supported by a strong and clear literature base (Armansyah, 2020).

The literature search was carried out using relevant keywords. The search for national journals focused on using the keyword 'Transformational Leadership,' while to search for international journals, the researcher expanded the scope with the combination keyword 'Transformational AND Leadership.' The researcher applied the criteria for journals that were primarily published in the last five years (2018-2023), related to the fields of leadership study, transformational models, business,

management, and HR development, and containing crucial keywords in English, namely 'Leadership' and 'Transformational.'

This approach ensures that the data obtained is relevant, follows developments, and is within the scope of the research. After a rigorous selection process, the researcher successfully identified 10 journals that met the criteria, with details of 7 national journals and three international journals. These journals are the primary data sources in this study, providing a solid framework to answer the research questions posed. The data successfully obtained from these journals will be carefully processed and analyzed in depth. The literature analysis revealed that effective communication, developing an inspiring vision, employee empowerment, and forming an organizational culture that supports change are key factors in successful transformational leadership strategies. An in-depth understanding of the contribution of these factors to positive transformation at the individual, team, and overall organizational levels will be outlined. The practical and theoretical implications of these findings will also be explained. (Hendri et al, 2023).

4. RESULTS AND DISCUSSION

4.1. Data Result

Table 1. Comparative Analysis of Journals

No	Author	Year	Journal	Title	Research Method	Research Results
1	Nur'Aida Sofiah Sinaga, Delpi Aprilinda, Alim Putra Budiman	2021	Indonesian Scientific Journal, 1 (7), 840-846	Transformational Leadership Concept	Literature review	Innovation of leaders' vision into action is needed
2	Jufrizen and Afni Sasqia Putri Lubis	2020	Scientific Journal of Master of Management. Vol 3, No. 1, March 2020, 41-59. ISSN 2623-2634 (online)	The Effect of Transformational Leadership and Transactional Leadership on Employee Performance with Locus of Control as a Moderating Variable	Explanatory research approach	Leaders are more encouraging if they build a good culture
3	Muhammad Alief Ramadhani	2021	Journal of Management Science Volume 9 Number 3.	The Effect of Transformational Leadership on Employee Performance through Work Autonomy	Quantitative method with primary data sources from direct observation results	The presence of leaders directly can overcome any obstacles faced by employees
4	Imam Prawoto	2022	Journal of Syar-i Social and Culture	Implementation of Transformational Leadership Style	Empirical normative approach, with qualitative research methods	One of the effective leadership models is to communicate well to subordinates
5	Wayne F. Cascio	2009	P-ISSN: 2356-1459. Vol. 9 No. 3 (2022), pp. 963-974	Managing Human Resources: Productivity, Quality of Work Life, Profits study on the perception	Compilation of literature	Transformational leaders must be inspirational to be an example of subordinates.

No	Author	Year	Journal	Title	Research Method	Research Results
				of stakeholders in tourism		
6	Dr. Hotner Tampubolon, S.E., MM.	2016	E-book Eighth Edition. The Business School, University of Colorado Denver.	Strategi Manajemen Sumber Daya Manusia dan Perannya dalam Pengembangan Keunggulan Bersaing	Preparation of literature	The character of the leader becomes the primary example for subordinates
7	Alfi Hendri, Indra Bastian Tahir, Muhammad Mu'azamsyah, Risgar Friassantano	2023	E-book. ISBN 978-602-1374-30-6.	Kepemimpinan Transformasional, Kepemimpinan Transaksional, dan Motivasi Kerja Terhadap Kinerja Karyawan. Tanjungpinang	Census method with Multiple Linear Regression analysis, t-test, F test, and Coefficient of Determination test	Employee empowerment is one of the transformational leadership competency variables.
8	Putri Handayani, Tia Astaivada, Nia Aisyah, Mochammad Isa Anshori	2023	Journal of Research Innovation. Vol.3 No.8 January 2023	Kepemimpinan Transformasional	Literature study method	Transformational leadership is creative in bringing about a cultural atmosphere.
9	Barbara Bechter, Bernd Brandl, Alex Lehr	2022	Journal of Creative Management and Innovation Vol.1, No.3	The Role of the Capability, Opportunity, and Motivation of Firms for Using Human Resource Analytics to Monitor Employee Performance: A Multi-level Analysis of the Organisational, Market, and Country Context. New Technol Work Employ	Descriptive method of analysis	Effective communication from a transformational leader dramatically influences the response of subordinates.
10	Nidya Ayu Arina, Praptini Yulianti, Tri Siwi Agustina, Luky Bagus	2019	New Technol Work Employ. 2022;37:398-424.	Sovereignty in Working and Self-Efficacy in Company Change Initiatives: A Perspective from an Indonesian Manufacturing Company	Statistical quantitative test	The character of transformational leadership dramatically affects the work environment.

This study reveals the results of analyzing effective leadership strategy variables in the context of transformational leadership. An in-depth understanding of the concept of transformational leadership, identification of key factors, and a study of leadership strategy variables are the main focus of this study. Research shows that effective communication is the primary strategy variable in transformational leadership. The ability of leaders to communicate clearly and bring understanding

to the transformational vision can motivate subordinates. Open and effective communication is the foundation for the success of a transformational leadership strategy (Nur et al., 2021).

The results of the literature analysis confirm that developing an inspiring vision is a key element in a transformational leadership strategy. Transformational leaders must be able to formulate a vision that is not only clear but also motivates and inspires team members. A strong vision is the main driver for achieving positive change and extraordinary performance (Handayani et al., 2023). Employee empowerment is also identified as an important strategy variable. Transformational leaders give subordinates trust, responsibility, and autonomy to contribute optimally. This empowerment creates an environment where creativity and innovation can thrive, supporting positive organizational change (Cascio, 2009).

Another strategy variable is the formation of an organizational culture that supports change. Transformational leaders play a role in shaping organizational values and norms that support positive change. A culture supporting innovation and adaptability is key to achieving transformational goals (Bechter et al., 2022). Research highlights that the effectiveness of leadership strategies in the context of transformational leadership is significant. Effective leaders design policies and practices and are directly involved in implementation. Direct involvement of leaders increases organizational commitment to the transformational vision (Arina et al., 2019). These findings confirm the close relationship between leadership strategy variables and the success of transformational leadership. Leaders who implement effective leadership strategies can create positive change more remarkably. This type of leader can inspire subordinates (Armansyah, 2020). This literature can provide valuable insights for practitioners who are developing transformational leadership. A deep understanding of leadership strategy variables can help practitioners design more effective leadership strategies. This study also theoretically contributes significantly to the understanding of leadership strategy variables in transformational leadership (Cascio, 2009)

4.2. Discussion

a. *Effective Leadership Strategy Variables*

The discussion stage explains that effective leadership strategy variables play a central role in achieving the success of transformational leadership. Effective communication, as a key element that emerged from the literature analysis, highlights that the leader's ability to convey messages clearly and build a shared understanding of the transformational vision dramatically influences the response of subordinates. Open and effective communication provides a strong foundation for the success of a transformational leadership strategy (Armansyah, 2020). Developing an inspiring vision is also a key strategy variable. Transformational leaders are expected to have the ability to formulate a vision that not only provides clear direction but can also motivate and inspire team members. The literature analysis confirms that developing a strong vision is a key driver for achieving positive change and extraordinary performance. Effective leadership strategies are a priority and must include developing an inspiring vision as a key step toward transformational goals (Arina et al., 2019).

Team member empowerment is another strategy variable that attracts special attention in the context of transformational leadership. Successful leaders create an environment where subordinates feel empowered and have the trust, responsibility, and autonomy to contribute optimally. This variable supports positive organizational change and creates a climate that supports creativity and innovation (Jintar, 2022). Forming an organizational culture that supports change is a key strategic variable for the success of transformational leadership. Transformational leaders are recognized as agents who shape organizational values and norms that support positive change. An organizational culture encouraging innovation and adaptability is a strong foundation for achieving transformational goals. Leadership strategy variables, such as effective communication, vision development, employee empowerment, and organizational culture formation, are interconnected and synergize in forming the foundation of a holistic transformational leadership strategy. This strategy not only impacts individual behavioral changes but also contributes to positive transformation in the team and the organization as a whole. It is important to recognize that the relationship between leadership strategy variables and transformational leadership success is not one-way but mutually influencing. These variables form a complex network where the success of one aspect can strengthen or moderate the impact of other

aspects. Thus, leaders are vision designers, pioneers, and facilitators of sustainable positive change in the organization (Sinaga et al., 2021).

b. Effectiveness of Leadership Strategy in the Context of Transformational Leadership

The effectiveness of leadership strategy is so important that it emerged as a central theme in the literature analysis. The study results showed that effective leaders design policies and practices and are directly involved in their implementation. Direct involvement of leaders is considered key to increasing organizational commitment to the transformational vision (Bettiol et al., 2020). Effective leaders in transformational leadership must integrate policies and practices consistently with the organization's vision. Implementing policies that support the transformational vision is an important step in achieving transformational goals. An effective leadership strategy, in this case, includes planning and implementing policies that align with the established vision (Nurjaya et al., 2020). Effective leaders must also be able to make decisions that support transformational goals. Wise decision-making, focused on the organization's vision, is key to an effective leadership strategy. A deep understanding of the impact of policies and practices on the organization as a whole is also an important element in the effectiveness of a leadership strategy (Sufiyanti et al., 2022).

c. Relationship between Leadership Strategy Variables and Transformational Leadership

The study's results confirm the close relationship between leadership strategy variables and the success of transformational leadership. This finding aligns with many previous studies, which state that leaders who implement effective leadership strategies can create positive change and inspire subordinates (Roni, 2019). An effective leadership strategy is the leader's steps to achieve transformational goals. Implementing this strategy is considered to positively contribute to the success of transformational leadership in creating positive change and inspiring subordinates. Thus, a deep understanding of the complex relationship between leadership strategy variables and transformational leadership is crucial in increasing leadership effectiveness in an organizational context (Jintar, 2022). In the context of this study, it was found that an effective leadership strategy is defined as a series of steps taken by the leader to achieve transformational goals. The results of the literature analysis confirm that implementing this strategy not only positively contributes to the success of transformational leadership but can also create significant positive change and inspire subordinates. Leaders who combine elements of leadership strategies will have more significant potential to design transformational steps (Tampubolon, 2016).

5. CONCLUSION

This research explores effective leadership strategy variables in the context of transformational leadership. This study identifies effective communication, the development of an inspiring vision, team member empowerment, and establishing an organizational culture that supports change as key factors in transformational leadership strategies. The results of this study indicate that a deep understanding of the contribution of these variables is essential to achieving positive transformation at the individual, team, and overall organizational levels. The effectiveness of leadership strategies involving effective communication, the development of an inspiring vision, employee empowerment, and establishing an organizational culture that supports change is key to the success of transformational leadership. This study also highlights the importance of the close relationship between leadership strategy variables and the success of transformational leadership. A deep understanding of this relationship improves leadership effectiveness in the organizational context. The practical implications of this study involve valuable insights for practitioners in developing transformational leadership. This study also provides a strong theoretical foundation for further understanding of leadership strategy variables in transformational leadership. This study is expected to positively contribute to the development of transformational leadership in contemporary organizational dynamics.

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