

INFLUENCE OF TRANSFORMATIONAL LEADERSHIP, COMMUNICATION, AND INNOVATION ON EMPLOYEE PERFORMANCE

Upit Elya Rohimi, Zidnal Falah

¹ Universitas Swadaya Gunung Jati , Cirebon, Indonesia

² Universitas Islam Bandung, Indonesia

Keywords:

Leadership Transformational ,
Communication Organization ,
Innovation, Employee
Performance , Company

Corresponding Author:

Name : Upit Elya Rohimi
Affiliation :
Universitas Swadaya Gunung
Jati , Cirebon, Indonesia
Email:
uelyarohimi@gmail.com

ABSTRACT

The development of the global economy and rapid digitalization are compelling companies to adopt transformational leadership, enhance organizational communication, and boost innovation to tackle competitive challenges. This research aims to analyze the impact of transformational leadership, organizational communication, and innovation on employee performance at XYZ Company. The research method employed is a quantitative approach with a descriptive correlational design. Data were gathered through a questionnaire involving 74 respondents from various divisions and then analyzed using multiple linear regression and Pearson correlation. The findings show that transformational leadership, organizational communication, and innovation significantly affect employee performance, both individually and collectively. The implications of this study underscore the importance of an integrated strategy for fostering an innovative work culture and effective communication, which can strengthen the competitive power of companies in the digital age. These results can serve as a basis for developing more adaptive human resource management practices.

This is an open access article under the [CC BY-SA](#) license.



1. INTRODUCTION

The development of the global economy in the era of digitalization and globalization compels companies to confront increasingly complex challenges. Organizations must embrace adaptive leadership that drives change, motivates employees, and enhances overall performance to maintain competitiveness. As identified by (Huang et al., 2023), transformational leadership is a widely recognized style that effectively addresses these demands. In a dynamic work environment, transformational leadership has demonstrated its ability to foster innovation and enhance employee performance (Robbins et al., 2019). Moreover, organizational communication plays a crucial role in strengthening collaboration and coordination among individuals within the company, particularly given the growing reliance on digital communication technology. However, while digital communication systems expedite the flow of information, they also pose a risk of disinformation that can hinder work coordination if not managed effectively (Bharadwaj et al., 2013).

Transformational leadership emerges not only from the need for rapid change but also from the varying values and work cultures across generations. Leaders who cannot

adapt their leadership styles to this diversity will find it challenging to maintain team cohesion and sustain their innovative capacity (Ng & Feldman, 2008). Furthermore, leadership training focused on developing transformational skills is often inadequate, impeding effective communication and motivation among employees (Avolio & Yammarino, 2013a). At the same time, modern organizational communication employs various digital

Leaders who fail to embrace an adaptive and innovative leadership style can adversely affect employee motivation and performance. Employees who feel unsupported or lack clear guidance in their work often show diminished productivity (Bass & Riggio, 2006). Conversely, ineffective organizational communication can hinder work productivity, foster internal conflict, and obstruct the flow of innovative ideas within the organization (Aggarwal et al., 2024). Subpar employee performance can adversely impact the organization, hinder the company's growth, and weaken its competitiveness in the market.

Transformational leadership, organizational communication, and innovation are three important variables to improve employee performance. Transformational leadership refers to the ability of leaders to inspire and motivate employees to achieve higher goals (Pawar, 2016). Meanwhile, organizational communication is the process of effectively exchanging information among individuals in an organization to achieve work synergy (Judge & Piccolo, 2004). Innovation refers to the development of processes or products that can improve operational efficiency and employee performance quality (Mumford et al., 2000). The integration of these three variables is expected to provide a significant contribution to improving employee performance in this era of change.

This study offers a new perspective by placing these three variables in the context of organizations in the digital era. Rapid changes in this era require flexible leadership styles, strong communication skills, and continuous innovation capabilities (Pawar, 2016). Moreover, advances in digital technology create new opportunities for improved collaboration but also necessitate more effective communication strategies to avoid performance barriers. This study differs from earlier research that examines these variables individually or in a more traditional context. By developing a model that integrates these three variables simultaneously and tests their effects on employee performance, this study aims to provide fresh insights into the roles of leadership, communication, and innovation in a digital context that demands faster and more dynamic adaptation (Luthans et al., 2006); (Bass & Riggio, 2006).

The urgency of this research arises from the need for companies to compete in a challenging global market. Optimal employee performance is essential for companies to sustain their competitiveness in a highly dynamic business environment (Robbins et al., 2019). Moreover, the ability to innovate and improve organizational communication is increasingly crucial as organizations face the challenge of adapting to digital technology. Companies that can integrate transformational leadership, communication, and innovation into a unified strategic model can establish a long-term competitive advantage and foster sustainable growth. Thus, transformational leadership is fundamental in ensuring that employees are motivated, efficient, and fully committed to achieving organizational goals and contributing to organizational stability.

In light of the background provided, this study aims to analyze how transformational leadership, organizational communication, and innovation influence employee performance within the organization. Specifically, this study seeks to identify the extent to which each variable contributes to achieving optimal performance. The benefits of this study include offering organizational leaders a deeper understanding of the importance of transformational

leadership, effective communication, and innovation in enhancing employee performance. Additionally, this study is expected to serve as a reference for developing management strategies that could enhance operational effectiveness and competitiveness in the future.

2. METHOD

This study employs a quantitative approach using a survey method. The research design is descriptive correlational research, aimed at identifying the influence of independent variables (transformational leadership, organizational communication, and innovation) on the dependent variable (employee performance). This approach is suitable for testing the relationships between these variables and gauging the extent of influence each independent variable has on employee performance. The population for this study consisted of all employees at XYZ Company, totaling 74 individuals from various divisions such as operations, marketing, and administration. The sampling technique used was saturated sampling, where the entire population was included as a sample due to its relatively small size. Inclusion criteria consisted of permanent employees who had worked for more than one year, while exclusion criteria included contract employees or those with less than one year of service.

The primary instrument for data collection was a questionnaire utilizing a Likert scale ranging from 1 to 5. It consisted of three main sections: transformational leadership, organizational communication, and innovation, totaling 30 questions. Each section of the questionnaire targets the variables being measured to ensure relevant and accurate data collection. The validity of the instrument was tested using Pearson Product Moment, while reliability was assessed through Cronbach's Alpha to guarantee data consistency.

Table 1. Validity and Reliability of Research Instruments

Variables	Number of Items	Cronbach's Alpha	Validity Value
Leadership Transformational	10	0.85	0.70
Communication Organization	10	0.82	0.68
Innovation	10	0.88	0.75

Online surveys were conducted using questionnaires distributed through platforms like Google Forms, as well as structured interviews with all employees who met the inclusion criteria. The interviews took place online via Zoom or Microsoft Teams, which facilitated more detailed data collection related to the research variables.

The data obtained will be analyzed using descriptive statistics (mean, median, mode, and standard deviation) to provide an overview of the data's characteristics. In addition, classical assumption tests such as normality tests, multicollinearity tests, and heteroscedasticity tests will be conducted to ensure that the data meets the requirements for regression analysis. Hypothesis testing will be performed using several statistical techniques, including t-tests to evaluate the effect of each independent variable individually, ANOVA for the analysis of differences, linear regression to assess the joint effect of independent variables on the dependent variable, and Pearson correlation to measure the relationship between variables. The software used for data analysis is the latest version of SPSS, ensuring accuracy and ease of processing data.

3. RESULTS AND DISCUSSION

Respondent Description

This study involved 74 employees as respondents. The characteristics of the respondents include gender, age, and educational background. Below is a descriptive statistical overview of the respondents:

Table 2. Respondent Characteristics

Characteristics	Category	Amount Respondents	Percentage (%)
Type Sex	Man	42	56.8
	Woman	32	43.2
Age	< 30 years	20	27.0
	30 - 40 years	35	47.3
	> 40 years	19	25.7
Education	SENIOR HIGH SCHOOL	15	20.3
	Diploma	24	32.4
	S1	30	40.5
	S2	5	6.8

Respondent Characteristics Explanation:

- Gender: Of the 74 total respondents, 42 were male (56.8%) and 32 were female (43.2%). This indicates an almost even gender distribution, though there were slightly more male respondents.
- Age: Most respondents are in the 30-40 age range, with 35 people (47.3%). This indicates that the majority of employees belong to a generation generally considered young, which contributes to fast and productive work dynamics.
- Educational Background: The majority of respondents, 30 people (40.5%), hold a Bachelor's degree (S1), followed by 24 people (32.4%) with a Diploma, 25 people (20.3%) with a High School education, and 5 people (6.8%) with a Master's degree. This indicates that most BPR employees possess a relatively high level of education, which can positively influence their work skills and knowledge.

Classical Assumption Test Results

Normality Test

The normality test aims to determine whether the data follows a normal distribution. This test is performed using the Kolmogorov-Smirnov method. If the significance value is greater than 0.05, the data is considered normally distributed.

Table 3. Normality Test (Kolmogorov-Smirnov)

Variables	Kolmogorov-Smirnov	Sig. (p-value)
Employee performance	0.067	0.200

The normality test shows that the significance value for the performance variable is greater than 0.05. Therefore, the data is normally distributed.

Test Multicollinearity

Multicollinearity test done For ensure that No There is very linear relationship strong between variable independent . This test done with look at the Variance Inflation Factor (VIF). If the VIF value < 10 , then No There exists multicollinearity .

Table 4. Multicollinearity Test

Variables	Tolerance	VIF
Leadership Transformational	0.712	1.405
Communication Organization	0.690	1,449
Innovation	0.740	1,351

The results show that VIF value for variable leadership transformational , communication organization and innovation is under 10. With Thus , it can concluded that No there is problem multicollinearity in this model

Heteroscedasticity Test

Heteroscedasticity test aiming to see whether residual variance is not the same in the regression model . This test done using the Glejser Test , where the value significance > 0.05 indicates No There is problem heteroscedasticity .

Table 5. Test Heteroscedasticity (Test) Glacier)

Variables	Sig. (p-value)
Leadership Transformational	0.241
Communication Organization	0.327
Innovation	0.198

Glejser test results show that mark significance For third variable independent more big from 0.05. By because of that, it can concluded that No there is problem heteroscedasticity in model regression .

Results Analysis Linear Regression

Analysis linear regression is used For know influence leadership transformational , communication organization , and innovation to performance employee .

Table 6. Analysis Test Multiple Linear Regression

Variables	Coefficient B	t-value	Sig. (p-value)
Constants	1,250		
Leadership Transformational	0.305	2.45	0.016
Communication Organization	0.276	2.19	0.032
Innovation	0.336	2.74	0.008

Pearson Correlation

Pearson Correlation Test is used For measure strength and direction connection between two variables . The correlation value (r) is between -1 and 1. Positive values show connection in one direction , whereas mark negative show opposite relationship .

Table 7. Pearson Correlation Results

Variables	Leadership Transformational	Communication Organization	Innovation	Employee performance
Leadership Transformational	1,000	0.481	0.562	0.597
Communication Organization	0.481	1,000	0.529	0.564
Innovation	0.562	0.529	1,000	0.615
Employee performance	0.597	0.564	0.615	1,000

Hypothesis Testing

The t-test was performed For test the influence of each variable independent (**leadership transformational** , **communication organization** , and **innovation**) to variable dependent (performance employees). Based on results linear regression , third variable independent own sig. value < 0.05 , so that can concluded that third variable This own influence significant to performance employee .

ANOVA test

ANOVA test is used For measure whether there is significant difference in variable dependent based on category variable independent . In context Here , the ANOVA test is applied For see whether There is difference in performance employee based on variations of rewards and punishments.

Table 8. ANOVA Results

Source Variation	Df	F	Sig. (p-value)
Regression	3	15.68	0.000
Residual	70		

Significance value of 0.000 indicates that there is significant difference in performance employee based on variation in application of rewards and punishments. This show that leadership transformational , communication organization , and innovation own difference significant in influence performance employee .

F-Test (Simultaneous Test)

The F-test is used For know whether variable independent (leadership transformational , communication organization , and innovation) in simultaneous influence variable dependent (performance employees). The hypothesis tested is :

- H0** : There is no influence significant from variable independent to variable simultaneously dependent .
- H1** : There is an influence significant from variable independent to variable simultaneously dependent .

Table 9. F-Test Results

F- count	Significance (p-value)	Conclusion
15.68	0.000	Significant

F- value count of 15.68 with mark **p-value** of 0.000 indicates that leadership transformational , communication organization , and innovation in a way simultaneous influential significant to performance employees . Because the p- value < 0.05 , then hypothesis H0 is rejected , meaning variable leadership transformational , communication organization , and innovation in a way simultaneous influential significant to performance employee .

Discussion

Influence Leadership Transformational on Employee Performance

Transformational leadership has proven to have a significant influence on employee performance. According to (Bass & Riggio, 2006), transformational leaders are capable of motivating and inspiring employees beyond expectations; they greatly enhance overall productivity and performance. By emphasizing a long-term vision, transformational leaders encourage employees to develop and align their personal objectives with the organization's goals. Research by (Judge & Robbins, 2019) supports these findings, showing that transformational leadership contributes to improved job satisfaction and commitment, which directly leads to increased performance.

In addition, transformational leadership fosters an environment that is conducive to work for innovation and development. Employees who feel appreciated and supported tend to be more motivated to develop new ideas, which in turn increases the competitive power of the organization. Research conducted by Avolio & Yammarino, (2013) shows that transformational leadership is closely related to proactive employee behavior, which is an important element in driving innovation. Thus, transformational leadership not only enhances individual performance but also facilitates organizational development through sustainable innovation.

Influence Communication Organization on Employee Performance

Effective communication within an organization plays a crucial role in strengthening collaboration and coordination among employees, ultimately enhancing the organization's performance. According to (Bharadwaj et al., 2013), good organizational communication allows employees to collaborate more efficiently, minimize misunderstandings, and improve productivity. Moreover, effective communication ensures that strategic information is accessible to all relevant parties, enabling faster and more accurate decision-making. Robbins and (Judge & Robbins, 2019) emphasized that open and clear communication within an organization fosters loyalty and a sense of belonging among employees, which significantly affects performance.

On the other hand, lack of efficient communication can hinder performance and cause internal conflict, especially in a work environment that relies on digital technology. For example, (Child, 2015) noted that excessive information or poorly managed information can lead to inefficiencies in task delivery. Therefore, structured communication within an organization is essential to support optimal employee performance, particularly in today's digital era, which demands fast and responsive coordination.

Influence Innovation on Employee Performance

Innovation in organizations becomes an important element for increasing employee performance and enhancing company competitiveness. According to Mumford et al., (2000) research, companies that encourage innovation among employees succeed in creating a dynamic and full work environment that positively impacts employee performance. By developing new processes and products, innovation allows organizations to achieve higher operational efficiency, ultimately increasing employee productivity and performance quality. This research emphasizes that innovation acts as a catalyst, supporting employees in contributing new ideas and creative solutions, which are important for keeping organizations relevant in a competitive market.

Besides that, innovation supported by a positive organizational culture pushes employees to become more proactive and find new ways to complete tasks. Research conducted by Baker et al. (2019) shows that integrated innovation with a Good organizational strategy has a significant impact on employee satisfaction, work, and commitment. Thus, innovation plays a role as one of the variables, the key to improving employee performance over the long term.

Influence Leadership Transformational, Communication Organization, and Innovation To Performance Employee

Integration leadership transformational, communication organization , and innovation own very influential significant to performance employee in organization. According to (Bass & Riggio, (2006) , when leader transformational facilitate effective communication And push innovation , employees will feel supported And more motivated For reach performance optimal . Third variable This each other complement and strengthen One each other in to form environment productive and collaborative work . (Robbins et al., 2019) research shows that transformational leadership supported by effective communication and cultural innovation creates an environment of harmonious work , and pushes employees to work with high commitment and dedication .

Next, an effective communication organization ensures that relevant information is accessible to all employees, allowing them to collaborate more effectively in creating innovative ideas. (Avolio & Yammarino, 2013b) found that a good communication organization not only increases individual performance but also encourages synergy among the team. When information is strategically distributed and all parties feel pushed to innovate, the team's performance will increase overall, leading to increased company productivity.

Innovation, as an accelerating element of organizational growth, plays a crucial role in maintaining a company's competitive power amid global challenges. Mumford et al., (2000) noted that organizations prioritizing innovation in their strategies can enhance sustainable performance. Innovation, supported by transformative leadership and effective communication, fosters a culture that values creativity and collaboration, allowing employees to share new ideas without fear of failure. As a result, the company can achieve a competitive edge in sustainable practices through the combination of these factors.

Finally , the combination of transformational leadership, communication organization , and innovation can seen as an essential strategic model For reaching optimal performance in the digital era. (Luthans et al., 2006) argues that capable organization manages third variable This in a way effective will own more employees motivated , committed , and productive . The third variable This allows the organization To adapt quickly to external , manage internal challenges , and achieve results in excellent work .

4. CONCLUSION

The conclusion of this study reveals that transformational leadership, organizational communication, and innovation significantly influence employee performance improvement. These three variables support one another in creating a dynamic, collaborative, and results-oriented work environment. Transformational leadership enhances employee motivation and commitment, effective organizational communication strengthens coordination among individuals, and innovation empowers employees to develop new solutions that enhance operational efficiency. These findings indicate that the combination of these three variables plays a major role in driving optimal employee

performance, especially in the digital era, which is filled with challenges and changes. As a recommendation, companies should continue to cultivate leaders with a transformational leadership style, strengthen internal communication strategies, and promote innovation as a core element of organizational culture. The implication of this study is that companies strategically implementing these three aspects will gain stronger competitiveness and be better positioned to retain high-performing employees. Additionally, this study contributes to the development of a leadership and organizational management model that is relevant for companies in the future, particularly in an increasingly complex work environment.

REFERENCES

- Aggarwal, A., Baker, H. K., & Joshi, N. A. (2024). Organizational innovation as business strategy: A review and Bibliometric analysis. *Journal of the Knowledge Economy*, 1–27.
- Avolio, B. J., & Yammarino, F. J. (2013a). *Transformational and charismatic leadership: The road ahead*. Emerald Group Publishing.
- Avolio, B. J., & Yammarino, F. J. (2013b). *Transformational and charismatic leadership: The road ahead*. Emerald Group Publishing.
- Bass, B. M., Avolio, B. J., Jung, D. I., & Berson, Y. (2003). Predicting unit performance by assessing transformational and transactional leadership. *Journal of Applied Psychology*, 88(2), 207.
- Bass, B. M., & Riggio, R. E. (2006). *Transformational leadership*. Psychology press.
- Bharadwaj, A., El Sawy, O. A., Pavlou, P. A., & Venkatraman, N. v. (2013). Digital business strategy: toward a next generation of insights. *MIS Quarterly*, 471–482.
- Child, J. (2015). *Organization: contemporary principles and practice*. John Wiley & Sons.
- Huang, J. Y. H., Jiang, R., & Chang, J. Y. T. (2023). The effects of transformational and adaptive leadership on dynamic capabilities: Digital transformation projects. *Project Management Journal*, 54(4), 428–446.
- Judge, T. A., & Piccolo, R. F. (2004). Transformational and transactional leadership: a meta-analytic test of their relative validity. *Journal of Applied Psychology*, 89(5), 755.
- Judge, T. A., & Robbins, S. P. (2019). *Organizational Behavior, (18 (Global Edition))*. New York: Pearson Education Limited.
- Luthans, F., Youssef, C. M., & Avolio, B. J. (2006). *Psychological capital: Developing the human competitive edge*. Oxford university press.
- Mumford, M. D., Zaccaro, S. J., Harding, F. D., Jacobs, T. O., & Fleishman, E. A. (2000). Leadership skills for a changing world: Solving complex social problems. *The Leadership Quarterly*, 11(1), 11–35.
- Ng, T. W. H., & Feldman, D. C. (2008). The relationship of age to ten dimensions of job performance. *Journal of Applied Psychology*, 93(2), 392.
- Pawar, A. (2016). Transformational leadership: inspirational, intellectual and motivational stimulation in business. *International Journal of Enhanced Research in Management & Computer Applications*, 5(5), 14–21.
- Robbins, S. P., Judge, T. A., & Vohra, N. (2019). *Organizational behaviour by pearson 18e*. Pearson Education India.