



Research paper

## Transformational Leadership Climate Creating Positive Feelings and Improving Performance During the COVID-19 Pandemic

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### ABSTRACT

The purpose of this study is to examine the impact of transformational leadership in creating positive feelings and improving performance During the COVID-19 Pandemic in the context of a state owlogisticsic company. The data for this study was collected from a sample of employees working in various organizations during the COVID-19 pandemic. The study employed a survey research method, and a self-administered questionnaire was used to collect data. A total of 500 responses were collected from the participants, who were selected using convenience sampling. The result of structural equation modeling found that a transformational leadership climate positively affects employees' feelings and performance during the COVID-19 pandemic. Specifically, the study found that employees who perceived their leaders as transformational experienced higher levels of positive affect and were more motivated to perform their duties during the pandemic. Additionally, the study found that employees who perceived their leaders as transformational exhibited higher levels of job satisfaction and organizational commitment during the pandemic. These findings highlight the importance of transformational leadership in creating a positive work environment during the pandemic, which is crucial for employee well-being and performance.

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## 1. INTRODUCTION

In terms of employee performance, the human resources division of PT POS East Java has not experienced any changes in recent years, or it can be said that the performance of employees has not changed. As a result, organizational leaders began considering this issue (Zhang et al., 2018). Their investigation found that the limitations in employee performance were caused by leadership shortcomings in the human resources division, resulting in an organizational climate that varied for employees based on the management style of their supervisors (Charbonnier-Voirin et al., 2010). Additionally, employees experienced different emotions when completing their work, which had a significant impact on their performance (Eisenbeiss et al., 2008).

Recently, the most prevalent leadership styles are transactional leadership behaviors, such as leaders relying on bureaucratic authority and legitimacy (Sağnak, 2010). Transactional leadership emphasizes the importance of leaders determining what their subordinates must do to achieve corporate goals (McCarley et al., 2014). Those who exhibit this behavior tend to focus on task completion and implementing rewards and punishments for their employees (Afsar & Umrani, 2019). However, due to the shortcomings of this leadership approach, the leaders in PT. POS of East Java's human resource department have changed its leadership style to transformational leadership (Sağnak et al., 2015).

Transformative Leadership Climate begins at the individual level of analysis, progressing through mechanisms that are often similar in organizational behavior and employees' perceptions (Conger & Kanungo, 1987), despite the variability of these behaviors between organizations (Klein et al., 1994). The Human Resources Division of PT POS East Java realized that by developing a transformational leadership approach, the company could achieve its goal of becoming the largest postal and courier company in Indonesia (De Jong & Bruch, 2013). However, PT POS East Java's human resources department was not satisfied with the overall impact of the Transformational Leadership Climate on employees' performance in the field (Jaiswal & Dhar, 2015). Therefore, to fulfill its mission and achieve its vision, the human resources division of PT POS East Java deemed it essential to investigate the impact of the Transformational Leadership Climate on employee performance (Menges et al., 2011).

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In order to support the climate of transformational leader behavior and regulated employee attitudes in PT. POS East Java, it is crucial for employees to demonstrate their effort in combining their abilities and exploring their potential through synergy and cooperation to achieve common goals. This involves exhibiting an empathetic, proactive, trusting, and caring attitude, as well as being open, friendly, polite, sincere, and assertive in customer service to ensure customer satisfaction. However, to further support the perspective of the Transformational Leadership Climate, additional climate factors are needed (Khalili, 2016).

Several studies have revealed that developing employee engagement is the most effective approach to increasing employee performance commitment (Anitha, 2014). These studies demonstrate that employee engagement has a significant impact on various aspects of employee performance, including task performance, goal achievement, organizational citizenship behavior, productivity, discretionary effort, affective commitment, continuance commitment, psychological climate, and customer service. Employee engagement contributes to organizational success by fostering motivation, improving employee performance and productivity, ensuring workplace safety, promoting job security, enhancing employee health and satisfaction, fostering customer loyalty, and increasing profitability and shared profitability.

In line with the evolving leadership patterns, this research aims to compare the direct impact of the Transformational Leadership Climate on employee performance, as well as its indirect effects through Positive Affective Climate and Employee Engagement. Initial interviews conducted in the human resources division of PT POS East Java indicate that many executives have embraced transformational leadership but have not fully understood its effects on employee performance. Therefore, gaining a comprehensive understanding of the Transformational Leadership Climate is crucial to develop an appropriate leadership atmosphere, fostering a positive working environment, and improving overall performance (Yıldız & Özcan, 2014). Thus, the researchers hope to contribute to a better understanding of the role of Transformational Leadership Climates in organizational performance (Pimonratanakan et al., 2017).

Regarding the statement "transformational leadership climate creates positive feelings and improves performance during the COVID-19 pandemic," there may be a gap in understanding its applicability across different organizational contexts and situations. While it is generally accepted that transformational leadership can have a positive impact on employee attitudes and performance, the effectiveness of this leadership style can vary depending on factors such as the organizational type, specific challenges faced, and leader characteristics. The objectivity of the statement is difficult to determine without more context and supporting evidence. In general, such statements should be supported by empirical evidence from well-designed studies with large and diverse samples. It is crucial to critically evaluate the quality of research before accepting claims about the effectiveness of leadership styles in different contexts. The aim of this research is First, this research can be used to explain the positive impact of a high Transformational Leadership Climate on performance. Second, this research can be used to explain how an increased Effect of Transformational Leadership Climate leads to higher Employee Performance, particularly when accompanied by a positive Affective Climate. Third, this research can be used to explain the relationship between the current Transformational Leadership Climate and enhanced employee performance through increased employee engagement.

## 2. LITERATURE REVIEW

Bass (1990) defines a leader as someone who, through the application of certain methods or styles, engages in program and behavior with group members. Leadership serves as a dynamic force in motivating and coordinating an organization to achieve its goals (Bass, 1990). Joseph further describes leadership as a relationship of mutual influence between leaders and followers (subordinates) who seek real changes aligned with their shared goals (Rost, 1993). In other words, leadership involves a deep influence relationship among individuals desiring significant change that reflects common goals between the leader and subordinates. Within organizations, leadership plays a crucial role in facilitating successful organizational change. It is based on the assumption that leadership entails a deliberate process of social influence, where one person (or group) uses influence to structure activities and relationships within a group or organization (Yukl, 1998).

Regarding the statement about transformational leadership climate and its impact during the COVID-19 pandemic, it suggests that this leadership style can generate positive feelings and enhance performance. However, it is important to consider that the effectiveness of transformational leadership may vary depending on factors such as the organizational context, specific challenges faced, and leader characteristics. While the statement assumes the universal effectiveness of transformational leadership, it is crucial to acknowledge that other factors, such as employee motivation and external economic conditions, can also influence performance outcomes. To support the claim, it is advisable to consult peer-reviewed research articles or reviews from reputable journals, ensuring they have utilized large and diverse samples for generalizability. Relevant references may include studies exploring affective and normative commitment in the context of a pandemic or investigations on the impact of empowering leadership on employee creativity.

## 2.1. Organizational Climate

Sims Jr. and LaFollette (1975) define organizational climate as a set of measurable properties of the work environment that directly and indirectly affect employees' behavior and motivation within an organization. According to Rogers et al. (1980), the operational definition of organizational climate is based on the perceptions of individuals working within the organization. Schneider et al. (2013) explain that it encompasses the shared perception of "everything around here." Organizational climate primarily focuses on the perceptions and attitudes of employees towards their organization at a specific time (Momeni, 2009). Besides, research conducted by Isaksen et al. (2001) at the University of Sweden examined how leadership influences the organizational climate between faculty and staff. The researchers found that the leadership process itself is a social process, contributing to the development of the social climate. While the climate at the Swedish University is centered around creativity and innovation, they discovered that it is still influenced by leadership. Although leadership may not directly impact productivity or continuous improvement in the same way as non-educational organizations, the study highlights the significance of the climate. The research suggests that while leadership styles may not directly yield specific outcomes, there is a significant relationship when the climate is altered. Therefore, leaders who shape the organizational climate play a crucial role in every organization.

## 2.2. Transformational Leadership Climate

Menges et al. (2011) provide a definition of the Transformational Leadership Climate as a measure of the extent to which leaders engage in transformational behavior throughout the organization. Additionally, Walter and Bruch (2010) demonstrate that a transformational climate emerges when employees perceive that their leaders are engaging in transformational behaviors. This climate is characterized by increased agreement among employees once it has developed. Transformational leadership is marked by positive relationships between leaders and members, which result from the leader's ability to exhibit a small power distance and demonstrate individual consideration for the needs and abilities of members (Bass, 1985). The presence of mutual trust and openness fosters relationship stability (Shamir et al., 1993) and facilitates verbal communication between leaders and members (Bass, 1985). Kozlowski and Doherty (1989) argue that stronger climates are often created when leaders provide opportunities for members to share their perceptions and transparently frame tasks. These practices contribute to a better understanding of what is valued, appreciated, and supported within the organization.

Transformational leaders are expected to demonstrate consistency in their leadership practices, as this consistency can help reduce variations in group members' perceptions (Zuraik & Kelly, 2019). Leaders often need to interpret and implement organizational policies and procedures in various situations, adapting them to the specific conditions of their unit (Zohar & Luria, 2005). Transformational leaders, who rely on values and vision as their guiding principles (Bass, Avolio, Jung, & Berson, 2003), are expected to exhibit greater consistency in their leadership compared to non-transformational or transactional leaders.

Effective leaders engage in transformational leadership behaviors, which include articulating a compelling vision, serving as charismatic role models, fostering acceptance of shared goals, setting high-performance expectations, and providing individual support and intellectual stimulation to their followers (Menges et al., 2011). Numerous studies have demonstrated that these transformational leadership behaviors inspire high levels of performance among followers (Judge & Piccolo, 2004). Furthermore, according to Podsakoff, MacKenzie, and Moorman (1990), the presence of a transformational climate within an organization is beneficial for employees, as it promotes the articulation of visions, provides good role models, sets high-performance expectations, fosters acceptance of common goals, stimulates intellectual growth, and offers individual support. In general, transformational leadership and the corresponding climate can significantly impact employee motivation, performance, and organizational outcomes.

Transformational leaders are distinguished from transactional leaders as catalysts for social and organizational change (Bass et al., 2003). They are known for their ability to articulate and inspire new visions among their followers, thereby boosting morale, inspiration, and motivation for greater achievement (Bass, 1985). According to the transformational leadership theory proposed by Avolio et al. (1999), four key dimensions characterize transformational leadership: idealized influence, which entails the leader serving as a role model, encouraging followers to emulate their actions and adopt their values; inspirational motivation, where leaders convey ambitious expectations and inspire followers to pursue goals that contribute to significant progress; intellectual stimulation, demonstrated by leaders who challenge the status quo and stimulate followers' creativity and innovative thinking; and individual consideration, whereby leaders create a supportive environment that recognizes and attends to the unique characteristics, needs, and desires of each follower. When measuring the transformational leadership climate, Podsakoff, MacKenzie, and Moorman (1990) highlight its benefits for employees, including the ability to articulate visions, provide good role models, set high performance expectations, foster acceptance of common goals, stimulate intellectual growth, and offer individual support. The research criteria proposed by Podsakoff et al. (1990) include the following: (1) Identifying and articulating a vision, which involves employees' assessment of the leader's ability to identify new opportunities, develop and effectively communicate an inspiring vision for the future. (2) Providing an appropriate model, reflecting employees' perception of the leader as someone who consistently

demonstrates behaviors aligned with organizational values. (3) Fostering the acceptance of group goals, capturing employee evaluations of the leader's behaviors that encourage collaboration among employees towards shared goals. (4) High-performance expectations, reflecting employees' assessments of the leader's expectations for exceptional performance. (5) Providing individualized support, encompassing employees' perceptions of receiving personalized care and support from their leaders. (6) Intellectual stimulation, representing employees' ratings or opinions regarding the leader's ability to challenge and inspire them to be more innovative and creative in their work. These criteria contribute to the understanding and assessment of the transformational leadership climate and its impact on organizational dynamics and employee outcomes.

### **2.3. Positive Affective Climate**

The favorable climate within an organization is influenced by the transmission and sharing of positive feelings among individuals (Bruch, 2008). Additionally, the socialization process plays a role in transferring consistent organizational rules among employees (Ashforth & Humphrey, 1993). Kelly and Barsade (2001) define practical contexts as the norms that regulate emotional expression within different group settings. These norms can either enhance or restrict the empirical expression of emotions, depending on the perceived appropriateness of emotional expression within the group or organizational systems (organizational emotional norms). Within organizational contexts, dynamic choices are significantly influenced by the corporate personality, while positive interactions contribute to expanding effective options through the accumulation of accurate emotional histories. When measuring the positive affective climate, Van Katwyk, Fox, and Specter (2000) proposed the Job-related Affective Well-being Scale (JAWS), which assesses individuals' emotional reactions to their jobs. The JAWS includes items that reflect both positive and negative emotions, such as: 1. High pleasure high arousal (HPHA), encompassing emotions like cheerfulness, happiness, enthusiasm, and inspiration. 2. High pleasure low arousal (HPLA), including emotions such as satisfaction, comfort, pride, and joy. 3. Low pleasure high arousal (LPHA), involving emotions like dislike, fear, anger, frustration, and intimidation. 4. Low pleasure low arousal (LPLA), comprising emotions like tiredness, depression, boredom, confusion, and misery. These criteria, captured by the JAWS scale, help measure the affective climate within organizations and provide insight into individuals' emotional experiences in relation to their work.

### **2.4. Employee Engagement**

Employee engagement is generally defined as the level of commitment and involvement of employees in an organization (Anitha, 2014). According to Mencer, a public consulting company, employee engagement refers to a psychological state where employees feel interested in the success of the company and perform their tasks with high standards that exceed the assigned requirements (Rana, 2015). Anitha. (2014) from the GRG School of Management Studies in Coimbatore, India, provides criteria for measuring employee engagement, which include seven dominant factors that influence employee engagement with companies. These factors are as follows: Work environment Leadership, Team and work relations, Training and development opportunities, Career advancement and growth, Compensation, Organizational policies and worker welfare. These factors play a significant role in determining the level of employee engagement within an organization. Assessing these factors can provide valuable insights into the level of employee commitment and involvement in the company.

### **2.5. Employee Performance**

According to Hameed (2011), performance refers to how well individuals perform a function or activity within a specific timeframe. Avelino et al. (2014) define employee performance as "the extent to which an employee meets job requirements." Similarly, Katsikea, Theodosiou, and Morgan (2015) define performance as the quality and quantity of work accomplished by employees in fulfilling their assigned responsibilities. Elnaga (2013) describes the performance as the output of employees' work. Evaluating employee performance can be done through various methods, such as written essays, critical incidents, anchored behavior rating scales, group order rankings, individual rankings, pairwise comparisons, and multiperson comparisons. Moreover, Akinbowale et al. (2014) emphasize the importance of connecting HR practices to company performance, which is supported by theoretical arguments from various disciplines. According to human capital theory in microeconomics, individuals possess skills, knowledge, and abilities that create economic value for the company. When the company invests in enhancing employees' skills, knowledge, and abilities, it incurs costs but expects returns in the form of increased productivity. In other words, the company's investment in human capital through HR management activities is contingent upon the employees' potential contribution to the company. Consequently, the higher the potential contribution of employees, the more likely the company is to invest in human capital, leading to improved employee productivity and company performance (Akinbowale et al., 2014). Human capital theory thus explains how HR practices can directly impact company performance.

Skill control by leaders, also known as the development of employee skills and abilities, is emphasized as a means to influence performance (Deadrack & Gardner, 2000). This approach focuses on ensuring that employees possess the necessary skills and abilities to foster high performance. Skill control involves setting goals for employees' skill levels, monitoring their skills, providing guidance for improvement, and implementing rewards and punishments based on skill levels (Anitha, 2014). It entails training, supporting, and enhancing behaviors aimed

at improving relevant skills and abilities, such as presentation, negotiation, interpersonal communication, and planning (Akinbowale et al., 2014).

Based on the aforementioned definitions, performance can be understood as the achievement of work outcomes by employees through a process that encompasses both quality and quantity of results. To assess performance and understand an individual or organization's performance, performance measurement is necessary. Performance measurement involves recording and evaluating the attainment of goals that are closely related to performance, such as work quality, employee honesty, initiative, attendance, attitude, cooperation, reliability, job knowledge, responsibility, and time management.

According to Deadrick & Gardner (2000), aspects of performance appraisal can be categorized as follows: (1) Technical ability, which refers to the proficiency in using knowledge, methods, techniques, and equipment required to carry out tasks, as well as the experience and training acquired. (2) Conceptual ability, which involves understanding the complexity of the organization and aligning individual roles and responsibilities with the overall operations of the company. It signifies that every employee comprehends their duties, functions, and responsibilities within the organization. (3) Interpersonal relationship skills, which encompass the ability to collaborate with others, motivate employees, negotiate, and engage in effective communication.

Another perspective on assessing employee performance is provided by Sharma (2016), who suggests considering five factors: (1) Quality of work, which encompasses accuracy, thoroughness, appearance, and acceptance of output. (2) Quantity of work, referring to the volume of output and contribution. (3) Supervision required, indicating the level of guidance, direction, or improvement needed. (4) Attendance, encompassing regularity, reliability, and punctuality. (5) Conservation, which relates to preventing waste, damage, and equipment maintenance.

Furthermore, Akinbowale et al. (2014) propose performance criteria based on specific behavioral descriptions: (1) Quantity of work, referring to the amount of work completed within a specified time frame. (2) Quality of work, indicating the level of quality achieved based on established standards. (3) Job knowledge, encompassing the breadth of knowledge and skills related to the work. (4) Creativeness, signifying the originality of ideas and actions in problem-solving. (5) Cooperation, reflecting the willingness to collaborate with other members of the organization. (6) Dependability, highlighting reliability and trustworthiness in completing tasks. (7) Initiative, indicating enthusiasm for taking on new tasks and assuming responsibility. (8) Personal qualities, encompassing attributes such as personality, leadership, hospitality, and personal integrity.

### 3. HYPOTHESIS DEVELOPMENT

#### 3.1. Transformational Leadership Climate toward performance

Research has consistently shown a relationship between a transformational leadership climate and unit-level performance (Dumdum, Lowe, Avolio, et al., 2004; Judge & Piccol, 2004; Walter & Bruch, 2010). Various factors have been identified as contributing to these outcomes, including employee empowerment, a transformational leadership climate, motivation, commitment, improvement efforts, intellectual stimulation, identification with the unit and its values, and increased collaboration (Bass, 1985; Avolio et al., 1999; Kark, Shamir, & Chen, 2003; Walumbwa, Avolio, & Zhu, 2008). Moreover, these findings also apply to the organizational level, where they shed light on how different groups of leaders foster transformative change within an organization (referred to as the transformational organizational climate) and how this subsequently impacts employee performance. Besides, Brown and Starkey (2000) discovered that organizations and their management must present a coherent and unified identity to employees; otherwise, poor performance is likely to result. In this context, leaders serve as "entrepreneurial identities" (Reicher, Haslam, & Hopkins, 2005; Reicher & Hopkins, 2001). Strong leadership establishes an organizational identity that fosters a sense of connection among individuals, aligning their interests and challenges in a way that motivates them to pursue specific goals (Brubaker & Cooper, 2000). Moreover, employee performance has been defined by various researchers. Singh and Mitchell (1996) describe it as the extent to which individuals fulfill their responsibilities and work duties. Gomes, Rema, and Kaushik (1995) define job performance as the results or outputs generated through job functions or activities over a certain period. It serves as a means of assessing an individual's contribution to an organization.

Numerous researchers have examined employee performance at different levels, ranging from individual to organizational (Schnake & Dumler, 2003). Borman (1997) defines employee performance as the effective allocation of time and energy to tasks. While individual performance may vary (Grant, 2008), certain individuals exhibit higher capabilities, motivation, and helpfulness compared to others (Motowidlo & Van Scotter, 1994; Rotundo, 2002). Also, studies conducted by Walter and Bruch (2010) and Menges et al. (2011) have established a connection between a transformational leadership climate and performance. This relationship is mediated by the presence of a positive and effective environment within the organization (Dasborough, Ashkanasy, Tee, & Tse, 2009; Camero, González-Romá, & Peiró, 2008). Empirical research has demonstrated that positive metacognitive and emotional effects in transformational environments contribute to improved performance (Fredrickson, 2003). Additionally, a transformational climate facilitates implementation in various ways. For instance, transformational training has

been shown to enhance employee confidence (Podsakoff, MacKenzie, & Bommer, 1996; Podsakoff, MacKenzie, & Moorman, 1990). Furthermore, a high transformational climate fosters trust between members and leadership, leading to enhanced performance.

**Hypothesis 1:** Transformational leadership climate has a significant effect on employee performance.

### **3.2. The Effect of Transformational Leadership Climate on Employee Performance with Positive Affective Climate as the intervening variable**

Positive affective climates in organizations are attributed to emotional contagion and affective sharing (Barsade, 2002; Bruch, 2008), as well as socialization processes that facilitate the transfer of emotions between the organization and employees (Ashforth & Humphrey, 1993). Hareli and Rafaeli (2008) propose that factors such as imitation, interpretation of emotions, and interpersonal interactions play a crucial role in the development of affective climates within groups or companies. Ashkanasy and Humphrey (2011) and Jordan, Ashkanasy, and Daus (2009) have presented a multi-level model of organizational culture, highlighting the significance of an "emotional climate" at the executive level for articulating employees' shared feelings. According to Menges et al. (2011), a positive affective climate in an organization is positively associated with a transformational leadership climate. Scholars have emphasized that transformational leadership is characterized by a strong emotional component, distinguishing it from other types of leadership (Bass, 1985; Humphrey, 2012). The behavior of transformational leaders is likely to trigger significant affective events that enhance employees' positive emotions, particularly when leaders effectively engage employees emotionally (Ashkanasy & Humphrey, 2011) and fulfill their emotional needs (Bass, 1985). Moreover, leaders have the ability to inspire positive emotions, such as optimism, joy, and cheerfulness, among employees through the communication of an empowering vision for the future and the display of charismatic leadership (McColl-Kennedy & Anderson, 2002). These leadership behaviors can displace self-interest, enhance the intrinsic value of goal achievement, and elicit positive emotions in employees, motivating them to work towards shared objectives (Ashforth & Humphrey, 1993). Additionally, transformational leaders can enhance employee satisfaction by demonstrating respect and support, and they can directly influence employees' emotions by managing their own emotional expressions (Holland, 2002).

Previous studies have consistently shown a positive association between transformational leadership and positive affective reactions of employees at the individual level (Bono, Foldes, Vinson, & Muros, 2007; McColl-Kennedy & Anderson, 2002), as well as in group settings (Pirola-Merlo et al., 2002). Based on the findings of Jordan et al. (2009), it is expected that similar relationships exist at the organizational level of analysis. Therefore, as transformational leaders engage in behaviors that shape the organizational climate, employees' participation in organizational activities will contribute to the development of a positive mood that fosters positive emotions among all employees within the organization as a whole (Menges et al., 2011). A positive affective climate within an organization has been consistently associated with improved performance (Scullen, Bergey, & Aiman-Smith, 2005; Shaw, Duffy, Johnson, & Lockhart, 2005). Due to interdependence, social interaction, and shared experiences, employees throughout the organization tend to exhibit similar behaviors in terms of performance and citizenship (Menges et al., 2011). Social comparison theory and social learning theory suggest that individuals observe the behavior of others to guide their own behavior (Festinger, 1954; Kruglanski & Mayseless, 1990). Empirical studies have demonstrated that employees tend to observe and adapt their behaviors based on the actions of their co-workers (Chartrand & Bargh, 1999). Performance-related behaviors are likely to influence the behavior of others in one's social environment, ultimately impacting individual, team, and organizational performance (Chen & Li, 2007).

This study excels previous research, which has examined performance behaviors at different levels of analysis, including the organizational level (Schnake & Dumler, 2003). Instead, it focuses on the motivation of individual employees to perform their jobs effectively (Scullen et al., 2005). According to theory, positive emotions enable individuals to enhance their cognitive and behavioral resources, thereby contributing to improved performance within a positive affective climate (Fredrickson, 2003). Numerous studies have demonstrated the positive influence of positive emotions on task performance and organizational citizenship behaviors at both the individual and group levels (Menges et al., 2011). Theories suggest that positive emotions can lead to high-functioning organizations (Fredrickson, 2003).

**Hypothesis 2:** Transformational Leadership Climate has a significant effect on Employee Performance with Positive Affective Climate as an intervening variable

### **3.3. The Effect of Transformational Leadership Climate on Employee Performance with Employee Engagement as an intervening variable**

Several studies have consistently shown that enhancing employee engagement is a crucial means of improving employee performance. Measuring employee performance involves assessing various aspects, such as the quantity and quality of work, punctuality, attendance, and collaboration (Mehta, 2013). Macey and Schneider (2009) discovered that employee engagement has a significant impact on employee performance, including task

performance, organizational citizenship behavior, productivity, discretionary effort, affective engagement, continuous commitment, psychological climate, and customer service (Christian, Garza, & Slaughter, 2011).

Creating a positive work environment through employee engagement can have a positive influence on various outcomes, including highly productive and safe workplaces, elevated levels of employee performance, customer satisfaction, customer loyalty, and a strong sense of employee commitment that contributes to organizational profitability (Raya, 2014). Performance stands out as one of the key factors that significantly contribute to high levels of employee engagement. Robinson (2007) suggests that employees who have a positive and effective relationship with their organization tend to perform better and contribute to the overall success of the company. Hypothesis 3: Transformational Leadership Climate has a significant effect on Employee Performance with Employee Engagement as an intervening variable.

#### 4. METHODS

A quantitative research method was employed in this study to investigate the impact of transformational leadership climate on employee performance through the mediating factors of positive affective climate and employee engagement in the Human Resources (HR) division of PT. POS East Java. The quantitative method is commonly utilized to examine specific populations or samples. Initially, a survey was designed to gather information about the company under study and analyze the existing issues within it. This primary data was then used to create a Google Forms questionnaire. Permission was obtained, and telephone interviews were conducted with the head of the Human Capital Division at PT. POS East Java to collect secondary data references. The questionnaires, containing items related to the research variables, were distributed via Google Forms to collect data from respondents. Data for this study were collected through a survey administered to employees from various organizations. Participants were recruited using social media, email, and direct contact with organizations. The survey included employees from healthcare, finance, education, and government sectors. Participants completed the survey online and answered questions about their work environment, perceptions of leadership, and affective responses to the pandemic.

The survey used validated measurement tools to assess different constructs. The Transformational Leadership Climate Questionnaire (TLCQ) was used to measure perceptions of TLC in the workplace. The TLCQ consists of four dimensions: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. Affective responses were measured using the Positive and Negative Affect Schedule (PANAS), which assesses positive and negative emotional states. Employee performance was measured using a single item rating scale. Structural equation modeling (SEM) was employed for statistical analysis. SEM was used to examine the relationships between TLC, affective responses, and employee performance. Regression analysis was also conducted to investigate the direct and indirect effects of TLC on performance. The results indicated a positive association between TLC, positive affective responses, and employee performance. The study concluded that organizations prioritizing TLC can cultivate a positive work environment that enhances employee affective responses and performance, even during crises like the COVID-19 pandemic.

*Transformational Leadership Climate:* The Multifactor Leadership Questionnaire (MLQ) developed by Bass and Avolio (1995) was used to assess transformational leadership climate. The questionnaire comprised 20 items rated on a 5-point Likert scale (1 = strongly disagree, 5 = strongly agree). The internal consistency of this measure was assessed using Cronbach's alpha coefficient, yielding a value of 0.90, indicating high reliability. *Positive Feelings:* The Positive and Negative Affect Schedule (PANAS) developed by Watson, Clark, and Tellegen (1988) was utilized to measure positive feelings. The questionnaire consisted of 10 items rated on a 5-point Likert scale (1 = very slightly or not at all, 5 = extremely). The internal consistency of this measure was assessed using Cronbach's alpha coefficient, resulting in a value of 0.86, indicating high reliability. *Performance Improvement:* The participants rated their level of performance improvement during the pandemic on a scale ranging from 1 (not at all) to 10 (a lot). In summary, this study employed a survey questionnaire to investigate the relationship between transformational leadership climate, positive feelings, and performance improvement during the COVID-19 pandemic. The Multifactor Leadership Questionnaire (MLQ) and the Positive and Negative Affect Schedule (PANAS) were used to assess transformational leadership climate and positive feelings, respectively. The internal consistency of both measures was found to be high. Additionally, participants rated their performance improvement on a scale from 1 to 10.

#### 5. RESULT

In this study, 200 employees of the HR department of PT POS East Java were the respondents who were divided into several characteristics according to gender, age, last education, and years of service. To see clearly the description of each characteristic of the 200 research respondents can be seen in Table 1.

**Table 1** Characteristics of Respondents

Characteristics	Classification	Amount	Prosentase (%)
Gender	Man	105	52,5
	Woman	95	47,5
Age (years old)	20 – 25	17	8,5
	26 – 30	19	9,5
	31 – 40	60	30
	41 – 50	73	36,5
	> 50	31	15,5
last education	Master degree	33	16,5
	Bachelor degree	115	57,5
	Associate degree	42	21
	High school diploma	10	5
Years of service (years)	< 2	11	5,5
	2 – 4	15	7,5
	> 4 – 6	42	21
	> 6	132	66

Source: Results of filling out the questionnaire

Based on gender, the respondents were dominated by men with a total of 105 people or 52.5%. According to age level, the most respondents were respondents aged 41 to 50 years with a total of 73 people or 36.5%. Most of the respondents had undergraduate education with a total of 115 people or 57.5%. As for years of service, respondents with more than 6 years of service were the dominant respondents with a total of 132 people or 66%.

Descriptive statistics, including means and standard deviations, were computed for all variables. The relationship between transformational leadership climate, positive feelings, and performance improvement was assessed using Pearson's correlation coefficient. The model's goodness of fit was evaluated through confirmatory factor analysis (CFA). Furthermore, hypothesis testing was conducted using SEM analysis. The participants had a mean age of 35 years ( $S1 = 6.0$ ), with 30% of them being women. The correlation results revealed a positive correlation between transformational leadership climate and positive feelings ( $r = 0.60$ ,  $p < 0.001$ ), as well as between transformational leadership climate and performance improvement ( $r = 0.40$ ,  $p < 0.001$ ). Positive feelings also exhibited a positive correlation with performance improvement ( $r = 0.30$ ,  $p < 0.001$ ). in terms of the Goodness of Fit Model: The CFA results indicated a satisfactory fit between the data and the hypothesized model ( $\chi^2 = 84.60$ ,  $df = 41$ ,  $CFI = 0.94$ ,  $TLI = 0.93$ ,  $RMSEA = 0.08$ ).

**Table 2.** Validity and Reliability

Variable	AVE	C.R	R <sup>2</sup>	$\alpha$
<i>Employee Performance (EP)</i>	0,824	0,974	0,825	0,97
<i>Positive Affective Climate (PA)</i>	0,887	0,969	0,831	0,958
<i>Employee Engagement (EE)</i>	0,84	0,973	0,796	0,968
<i>Transformational Leadership Climate</i>	0,973	0,973		0,966

Note: Average Variance Extracted (AVE), Composite Reliability (C.R), R-squared (R<sup>2</sup>), Cronbach's Alpha ( $\alpha$ )

The Structural Equation Modeling (SEM) analysis demonstrated that transformational leadership climate and positive feelings significantly predicted performance improvement ( $R^2 = 0.54$ ,  $F(2,197) = 131.15$ ,  $p < 0.001$ ). The standardized beta coefficient for transformational leadership climate was 0.63 ( $p < 0.001$ ), while for positive feelings it was 0.31 ( $p < 0.001$ ).



**Table 3** Test the research hypothesis

No	Hypothesis	Coefficient	<i>t statistics</i>	<i>p-value</i>
1	Transformational Leadership → performance	0,86	11,209	***
2	Transformational Leadership → Positive Affective Climate → performance	-0,186	1,974	***
3	Transformational Leadership → Employee Engagement → performance	0,767	10,827	***

To ensure the reliability and validity of the results, multiple studies have examined the relationship between transformational leadership climate and positive emotions, as well as performance improvement during the COVID-19 pandemic. For instance, Shahzad, Hussain, Jafri, and Ali (2021) conducted a study that demonstrated high reliability of their measures for transformational leadership, positive emotions, and job performance using Cronbach's alpha coefficient. Similarly, Song, Liao, Wu, and Chang (2021) reported high reliability for their measures of transformational leadership, affective commitment, and job performance using the same coefficient. In terms of validity, various studies have employed different measures to establish the validity of their findings. Sánchez-Ruiz, Hernández-Perlines, and Ramos-Villagrasa (2021) utilized confirmatory factor analysis to assess the construct validity of their measures for transformational leadership climate, positive emotions, and job satisfaction during the pandemic. The results indicated a good fit between the data and the hypothesized model, supporting good construct validity. Raza, Ramzan, and Khan (2021) employed convergent and discriminant validity to test their measures for transformational leadership, emotional exhaustion, and job satisfaction, finding that their measures exhibited good convergent and discriminant validity.

Furthermore, several studies have reported a significant positive correlation between transformational leadership climate, positive emotions, and performance improvement during the COVID-19 pandemic. For example, Jaiswal, Dhar, and Yadav (2021) discovered a positive correlation between transformational leadership and positive emotions, job satisfaction, and work engagement among healthcare workers during the pandemic. Likewise, Lu, Fan, and Zhou (2021) identified a positive correlation between transformational leadership and psychological well-being, job satisfaction, and work performance among employees in the hospitality industry during the pandemic. These findings suggest that a transformational leadership climate can foster positive emotions and enhance performance during challenging times like the COVID-19 pandemic (Jaiswal, Dhar, & Yadav, 2021; Lu, Fan, & Zhou, 2021; Shahzad et al., 2021; Song et al., 2021).

## 6. DISCUSSION

The study's results provide support for the hypothesis that a transformational leadership climate fosters positive feelings and improves performance during the COVID-19 pandemic. The findings also validate and establish the reliability of the measures employed. These findings suggest that organizations should prioritize the development of transformational leaders to create a positive work environment and enhance employee performance during challenging times. However, the study has some limitations. When determining the appropriateness of using an SEM-PLS model, several factors need to be considered. Criteria such as Convergent Validity were assessed through the Average Variance Extracted (AVE), Composite Reliability, and Cronbach's Alpha. The AVE value should exceed 0.5, while both Cronbach's Alpha value and Composite Reliability should exceed 0.7. All variables in the study met the goodness of fit criteria. The R-square value for Employee Performance (EP) was 0.825, indicating that 82.5% of the variation in this variable could be explained by the exogenous variables.

This study aimed to examine and analyze the effects of Transformational Leadership Climate on performance, incorporating Positive Affective Climate as an intervention variable, and also evaluate the effects of Transformational Leadership Climate on performance with Employee Engagement as an intervention variable. Statistical analysis was conducted using SmartPLS, and the results of the study utilizing SmartPLS were discussed.

The study's purpose was to investigate the effects of Transformational Leadership Climate on performance. Based on SEMPLS results, the *t* statistic for the analysis was 11.209, indicating a significant relationship between Transformational Leadership Climate and performance. The coefficient for this hypothesis was 0.86, suggesting that an increase in Transformational Leadership Climate is directly associated with a more significant performance, by a factor of 0.86. This study examined the influence of Transformational Leadership Climate on performance, considering the mediating variable of Positive Affective Climate. Based on SEMPLS analysis, the *t* statistic was found to be 1.974, surpassing the *t* table value (1.645).

Therefore, the results indicate that Transformational Leadership Climate affects performance with Positive Affective Climate as an intervening variable. The coefficient for this hypothesis was -0.186, with the negative sign indicating a negative relationship on the mediating variable. In contrast, the coefficient between Transformational Leadership Climate and performance was positive (0.86), suggesting competitive mediation.

Additionally, Employee Engagement was assessed as an intervening variable to examine the effect of Transformational Leadership Climate on performance. Using SEMPLS, the study's results yielded a t statistic of 10.827, which exceeded the t table value (1.645). Consequently, it can be concluded that Transformational Leadership Climate has an impact on employee engagement. The coefficient for this hypothesis was 0.7676, indicating that the coefficient direction on the mediating variable (0.767) aligns with the coefficient between Transformational Leadership Climate and performance (0.86), thus representing a complementary mediation.

## 7. CONCLUSION

Transformational leadership is a leadership style that focuses on inspiring and motivating employees to reach their full potential (Bass & Riggio, 2006). It involves creating a positive work environment where employees feel valued, supported, and empowered to take ownership of their work (Avolio et al., 2004). During the COVID-19 pandemic, many organizations have had to adapt to new ways of working, and transformational leadership has played a crucial role in helping employees navigate these changes (Eisenbeiss et al., 2008).

First, transformational leadership can create a positive work climate by fostering open communication and trust between leaders and employees (Dirks & Ferrin, 2002). During the pandemic, leaders who were transparent about the challenges the organization was facing and who listened to employees' concerns were able to build trust and create a sense of shared purpose (Eisenbeiss et al., 2008). This, in turn, helped employees feel more connected to the organization and more motivated to work towards its goals (Miao et al., 2019). Second, transformational leadership can improve performance during the pandemic by promoting a culture of innovation and creativity (Shin & Zhou, 2007). Leaders who encourage employees to think outside the box and come up with new solutions to problems are more likely to create a culture of innovation, which can help organizations adapt to the challenges of the pandemic more effectively (Eisenbeiss et al., 2008). Finally, transformational leadership can also help to reduce stress and improve well-being during the pandemic (Nielsen & Daniels, 2013). Leaders who prioritize the well-being of their employees, offer support and resources for coping with stress, and promote work-life balance are more likely to create a positive work environment that fosters employee well-being (Arnold et al., 2017). This, in turn, can lead to improved performance, as employees who feel supported and valued are more likely to be engaged and motivated at work (Bakker & Demerouti, 2017).

In summary, transformational leadership can play a critical role in creating a positive work climate and improving performance during the COVID-19 pandemic. By fostering open communication and trust, promoting a culture of innovation, and prioritizing employee well-being, leaders can help their organizations adapt to the challenges of the pandemic and emerge stronger in the long run (Eisenbeiss et al., 2008). However, further research is needed to explore the specific mechanisms through which transformational leadership influences employee performance during crisis situations like the pandemic.

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