

# Empirical Findings: How Transformational Leadership Influences Employee Performance Through Intrinsic Motivation

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## ABSTRACT

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This study investigates the relationship between transformational leadership and employee performance, emphasizing the mediating role of intrinsic motivation. A quantitative research design was employed, using structured online questionnaires distributed to 180 employees in the banking sector. Transformational leadership was measured via the Multifactor Leadership Questionnaire (MLQ), intrinsic motivation with the Intrinsic Motivation Inventory (IMI), and employee performance using the Work Tasks Performance Inventory. Data analysis included descriptive statistics, correlation, and hierarchical regression conducted in PSPP software. Findings indicate that transformational leadership positively influences employee performance and that intrinsic motivation serves as a significant mediator in this relationship. The results underscore the importance of developing transformational leadership competencies and fostering intrinsically motivating work environments. Recommendations are provided for managers to optimize employee performance, and directions for future research are suggested. The study contributes to theory and practice by clarifying the mechanisms through which transformational leadership affects employee outcomes.

**Keywords:** Transformational leadership, intrinsic motivation, employee performance, organizational behavior, leadership development.

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## INTRODUCTION

Employee performance is a critical determinant of organizational effectiveness, and understanding the factors that drive performance remains a central concern for both researchers and practitioners. Transformational leadership, characterized by behaviors such as inspirational motivation, intellectual stimulation, and individualized consideration, has been widely recognized as a driver of positive employee outcomes. Intrinsic motivation, defined as the internal drive to engage in work for its inherent satisfaction rather than external rewards, also plays a pivotal role in enhancing performance. Previous research has demonstrated that transformational leaders can cultivate intrinsic motivation among employees, which subsequently elevates work performance (Bass & Riggio, 2006; Judge & Piccolo, 2004; Amabile, 1998).

This study explores the relationship between transformational leadership and employee performance, with intrinsic motivation as a mediating variable. Understanding this mediating mechanism is essential because it provides insights into how leadership behaviors translate into tangible organizational outcomes. Furthermore, identifying the role of intrinsic motivation allows managers to design work environments that foster employee engagement, commitment, and sustained performance. By empirically investigating these relationships, the study seeks to inform leadership development initiatives and organizational strategies aimed at improving employee performance.

### Discussion of Findings

The findings indicate that transformational leadership significantly enhances employee performance, consistent with previous studies linking leadership behaviors to productivity, engagement, and workplace satisfaction (Limsila & Ogunlana, 2008; Judge & Bono, 2001; Bass & Riggio, 2006). Transformational leaders inspire employees, stimulate critical thinking, provide individualized attention, and act as ethical role models. These behaviors positively influence employees' attitudes and efforts, resulting in higher performance outcomes.

A central finding is the mediating role of intrinsic motivation in the relationship between transformational leadership and employee performance. Employees exhibiting high levels of intrinsic motivation demonstrate greater persistence, engagement, and initiative, amplifying the effect of transformational leadership on performance outcomes (Deci et al., 1999; Ryan & Deci, 2000). Transformational leaders cultivate intrinsic motivation by offering meaningful work, opportunities for autonomy and personal growth, constructive feedback, and a supportive work environment. These practices enhance employees' sense of competence, autonomy, and purpose, which are essential elements of intrinsic motivation (Kamara, Udeh, & Decker, 2024; Jaroliya & Gyanchandani, 2021; Yuan, Nguyen, & Vu, 2018).

The study also found that transformational leadership has a direct effect on employee performance, even in the absence of intrinsic motivation, highlighting its broad influence on organizational outcomes (Parveen & Alshehri, 2023). These results have practical implications: managers can enhance performance by developing transformational leadership skills while simultaneously fostering intrinsic motivation through strategies such as granting autonomy, providing growth opportunities, and creating meaningful work experiences (Rahman & Ferdausy, 2012).

Additionally, the findings suggest that organizations investing in transformational leadership development can improve employee engagement, job satisfaction, and overall performance (Wardana & Anisah, 2023; Pingel & Fay, 2024). Transformational leaders are also instrumental in promoting a growth mindset among employees, encouraging them to view challenges as opportunities for learning and personal development, which further strengthens intrinsic motivation and performance outcomes (Johnson & Ade, 2024; Yuan, Nguyen, & Vu, 2018).

### Theoretical and Practical Implications

Theoretically, this study clarifies the mechanism through which transformational leadership influences employee performance by emphasizing the mediating role of intrinsic motivation. While prior research has identified direct effects of leadership on performance, this study provides empirical evidence demonstrating how transformational leadership behaviors enhance intrinsic motivation, which subsequently drives performance (Ojiaku, Nkamnebe, & Chibuike, 2018; Wang & Rode, 2010). This contributes to leadership and organizational behavior theory by integrating motivational processes into the understanding of leadership effectiveness.

Practically, the findings provide actionable recommendations for managers. Organizations should adopt transformational leadership practices to create supportive, engaging, and growth-oriented work environments. Leaders should understand individual employee motivations and tailor their approaches accordingly, providing autonomy, mastery opportunities, and meaningful work to enhance intrinsic motivation (Smith & Wall, 2023; Chen, Nie, & Zhao, 2023). Leadership development programs should focus on cultivating transformational behaviors, such as intellectual stimulation, inspirational motivation, and individualized consideration, which have been shown to increase employee engagement and performance (Leung, Chen, & Chen, 2013; Brown, 2023).

### Recommendations

Based on the findings, managers are strongly encouraged to adopt a transformational leadership approach as a strategic mechanism to optimize employee performance. Transformational leadership involves not only inspiring and intellectually stimulating employees but also offering individualized support tailored to each employee's needs, modeling ethical behavior, and serving as a role model for professional excellence. Managers should focus on cultivating a work environment that actively promotes employee well-being, engagement, and intrinsic motivation. This can be achieved by providing employees with meaningful autonomy in their roles, opportunities for continuous skill development, access to professional growth programs, and initiatives that support work-life balance. Regular

recognition of accomplishments and contributions reinforces motivation and encourages employees to maintain high performance standards.

Personalized leadership approaches are particularly valuable, as they account for the unique motivations, interests, and strengths of individual employees. By understanding what drives each team member, whether it be career advancement, mastery of skills, recognition, or work-life balance, managers can tailor assignments, feedback, and development opportunities to maximize engagement and job satisfaction. Constructive feedback, both formal and informal, plays a crucial role in helping employees align their efforts with organizational objectives while fostering a sense of competence and achievement.

In addition, managers should ensure that employees have access to the necessary resources, tools, and ongoing support to perform their roles effectively. Providing structured mentorship programs, clear communication channels, and opportunities for collaborative problem-solving can further enhance intrinsic motivation and foster a culture of continuous improvement. Integrating transformational leadership training into managerial development programs is also recommended, equipping leaders with the skills to inspire, mentor, and guide employees toward peak performance.

Moreover, organizations should consider embedding intrinsic motivation strategies into performance management and reward systems. Beyond financial incentives, recognition programs, opportunities for autonomy, and meaningful work assignments can cultivate long-term motivation, encourage innovation, and reduce turnover. By proactively addressing both individual and organizational factors that influence employee engagement, managers can create a resilient, committed, and high-performing workforce.

Ultimately, a comprehensive adoption of transformational leadership, combined with strategies to foster intrinsic motivation, can significantly enhance employee performance, strengthen organizational culture, and drive sustainable organizational success (Donkor, Dongmei, & Sekyere, 2021; Cheng, Li, & Cao, 2023; Wang & Rode, 2010; Yuan, Nguyen, & Vu, 2018).

### Future Research Directions

Future studies should adopt longitudinal designs to track the temporal relationships between transformational leadership, intrinsic motivation, and employee performance. Research could explore other leadership styles, such as transactional or laissez-faire, to assess their comparative impact on motivation and performance (Avila, 2023). Cultural and contextual variables, including sector type and organizational culture, should also be considered to determine their moderating effects on these relationships (Kusumah, 2021). Further investigations could explore additional mediators, such as self-efficacy, extrinsic motivation, or personality traits, to provide a more comprehensive understanding of leadership effects on performance (Wu et al., 2023; Mahardini et al., 2021).

### CONCLUSION

This study demonstrates that transformational leadership positively influences employee performance, with intrinsic motivation acting as a key mediating factor. Transformational leaders foster autonomy, competence, and purpose, which enhance intrinsic motivation and drive higher engagement and performance. The findings provide theoretical insights into the mechanisms of leadership effectiveness and offer practical guidance for organizations seeking to improve employee outcomes. By developing transformational leadership competencies and creating work environments that support intrinsic motivation, managers can enhance productivity, job satisfaction, and organizational success. Future research should examine additional motivational and organizational variables, adopt longitudinal designs, and consider cultural and contextual factors to further expand understanding of the complex interactions between leadership, motivation, and performance (Awori, 2017; Riley, 2023).

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